

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB880 by Delisi (Relating to attorney general review of certain contracts for health care purposes.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill requires the Office of the Attorney General (OAG) to receive notification of the planning phase of the contracting process and review the form and terms of any contract prior to a state agency or retirement system entering into a health care contract with a contract amount of \$250,000 or more. The bill provides that the OAG may require an agency to enter into an outside counsel contract for assistance in negotiations and formation of the contract if the OAG lacks the subject matter expertise or resources to review the contract. The sections added by the bill apply only to a contract described by those sections that are entered into on or after November 1, 2005.

The OAG anticipates any legal work resulting from the provisions of the bill could be absorbed with current resources. Both the Teacher Retirement System and the Employee Retirement System estimate that they would require outside legal services relating to the affected contracts.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission

LBB Staff: JOB, CL, MS