

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 25, 2007

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

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

IN RE: HB1169 by Coleman (Relating to health benefit plan coverage for certain physical injuries that are self-inflicted by a minor.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require health benefit plan coverage for certain physical injuries that are self-inflicted by a minor.

Based on the analysis of the Teacher Retirement System and the Employees Retirement System, it is anticipated that there would be no costs to the plans administered by those agencies. Based on the analysis of the Texas Department of Insurance (TDI), there may be a one-time revenue gain of \$41,300 in fiscal year 2008 to General Revenue Dedicated Account Fund 36 associated with approval filings filed as a result of the bill. Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year. Based on the analysis of TDI, it is assumed that any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2007.

Local Government Impact

Counties, municipalities, and other local government entities to which the bill would apply under the Local Government Code that either provide health insurance benefits for their employees and employees' dependents or participate in a group risk pool to provide insurance benefits could experience an increase in costs of negotiated health insurance contracts to include the additional requirements of the bill. Whether those amounts would be absorbed by the local entity or passed on to the insured employees or in what amounts would vary depending on decisions made by local government officials and number of employees covered.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance

LBB Staff: JOB, JRO, MW, SK