

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

May 4, 2007

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

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

IN RE: HB1269 by Crownover (Relating to the creation of a voluntary consumer-directed health plan for certain individuals eligible to participate in the insurance coverage provided under the Texas Employees Group Benefits Act and their qualified dependents.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill adds a new subchapter to Chapter 1551 of the Insurance Code, the Texas Employees Group Benefit Act. The bill requires the Employees Retirement System to establish a health savings account and purchase or self-fund a type of high-deductible health coverage for Group Benefit Program participants and their dependents. Participation in the program would be optional.

The bill would require the state to contribute to the cost of the high-deductible health coverage in amount equal to the amount it would otherwise contribute under basic insurance coverage, and employees would pay for any additional coverage. The bill would allow any state contribution remaining in excess of the amount needed to fund the high-deductible health care coverage to be contributed to the participant's or dependent's health care savings account.

The Employee Retirement System actuary for insurance matters projects that there will be a small net savings to the state in the early years, and a slight increase in cost after the first two years, making the impact of the bill virtually neutral to the Group Benefits Program.

Except as otherwise provided, the bill would take effect September 1, 2007, with coverage beginning September 1, 2008.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 327 Employees Retirement System

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