

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 23, 2007

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

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

IN RE: HB1437 by Coleman (Relating to health benefit plan coverage for acute or chronic medical conditions.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require health benefit plan coverage for acute or chronic medical conditions.

Based on the analysis of the Teacher Retirement System and the Employees Retirement System, it is anticipated that any costs to the plans administered by those agencies would not be significant. Based on the analysis of the Texas Department of Insurance (TDI), there may be a one-time revenue gain to the General Revenue Dedicated Account Fund 36 of \$43,700 in fiscal year 2008 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. It is assumed that any costs at TDI 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