

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 26, 2007

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB1919 by Smith, Todd (Relating to health benefit plan coverage for treatment for certain brain injuries and serious mental illnesses.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1919, Conference Committee Report: a negative impact of (\$888,676) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	(\$888,676)
2010	(\$947,921)
2011	(\$1,066,411)
2012	(\$1,125,657)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable (Cost) from <i>GR DEDICATED ACCOUNTS</i> 994	Probable (Cost) from <i>OTHER SPECIAL STATE FUNDS</i> 998	Probable (Cost) from <i>STATE HIGHWAY FUND</i> 6
2008	\$0	\$0	\$0	\$0
2009	(\$888,676)	(\$46,345)	(\$4,654)	(\$206,553)
2010	(\$947,921)	(\$49,435)	(\$4,964)	(\$220,323)
2011	(\$1,066,411)	(\$55,614)	(\$5,585)	(\$247,863)
2012	(\$1,125,657)	(\$58,704)	(\$5,895)	(\$261,633)

Fiscal Year	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2008	\$0
2009	(\$196,422)
2010	(\$209,517)
2011	(\$235,707)
2012	(\$248,802)

Fiscal Analysis

The bill would amend the Insurance Code to require health benefit plans to provide coverage for testing, treatment, rehabilitation, and reintegration services in response to an acquired brain injury.

The bill would amend the Insurance Code to require certain health plans to provide coverage for autism spectrum disorder including speech, occupational and physical therapies and associated medication and nutritional supplements.

The bill would apply to group health benefit plans delivered, issued, or renewed on or after January 1, 2008 and would take effect September 1, 2007.

Methodology

Based on the analysis of the Teacher Retirement System (TRS), it is assumed any costs associated with the provision of the bill relating to coverage for services in response to an acquired brain injury would be insignificant because their health benefit plans currently provide coverage in compliance with the requirements of the bill. Based on the analysis of the Employees Retirement System (ERS), it is assumed this provision of the bill would not apply to health plans administered by ERS.

Based on the analysis of ERS, it is assumed that there would be costs for ERS associated with the provision of the bill relating to coverage for autism spectrum disorder. These costs are reflected in the table above. It is assumed that this provision of the bill requires coverage of children ages 3-5 and that coverage for children ages 6 and older is optional. If the bill was interpreted to require coverage of children ages 6 and older, costs could be greater than those identified here. TRS assumes this provision of the bill would not apply to health benefit plans administered by TRS.

Based on the analysis of the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of in the General Revenue Dedicated Account Fund 36 in fiscal year 2008 as a result of a one-time increase in the number of approval filings. It is assumed this revenue gain would not be significant and 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 also assumed that any costs realized by TDI from implementing the provisions of the bill could be absorbed within existing resources.

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, KJG, JRO, MW, SK