

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: HB2011 by Rose (Relating to health benefit plan coverage for a hospital stay following mastectomy and certain related procedures.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require health benefit plans to provide coverage for a hospital stay following mastectomy and certain other related procedures.

The Employees Retirement System (ERS), assumes that because the bill does not reference Chapter 1551 of the Insurance Code the bill would have no significant fiscal impact on ERS.

Based on the analysis the Texas Department of Insurance, it is assumed that there would be a one-time revenue gain of \$5,000 in the General Revenue Dedicated Account Fund 36 in fiscal year 2008 because the bill would result in 50 filings, each accompanied by a \$100 filing fee. 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 that would be realized by TDI from implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2007, and would only apply to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2008.

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 coverage required by 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: 327 Employees Retirement System, 454 Department of Insurance

LBB Staff: JOB, JRO, MW, SK