

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

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

IN RE: HB3923 by Callegari (Relating to reform of the manner in which certain public entities are protected from large risks associated with employee health benefits.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to reform of the manner in which certain public entities are protected from large risks associated with employee health benefits.

Based on the analysis of the Texas Department of Insurance, the Employees Retirement System, and the Teacher Retirement System (TRS), duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would make small district participation in TRS-ActiveCare optional which would likely result in adverse selection against the plan. TRS cannot quantify the impact of this provision.

The bill would take effect immediately upon a two-thirds vote in each house. Otherwise the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, MN, SK