

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 19, 2007**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

**IN RE: SB419** by Lucio (Relating to health benefit plan coverage for enrollees with autism spectrum disorder.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB419, As Introduced: a negative impact of (\$1,718,107) 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	(\$1,718,107)
2010	(\$1,895,843)
2011	(\$2,073,578)
2012	(\$2,310,558)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> <b>1</b>	Probable (Cost) from <i>STATE HIGHWAY</i> <i>FUND</i> <b>6</b>	Probable (Cost) from <i>GR DEDICATED</i> <i>ACCOUNTS</i> <b>994</b>	Probable (Cost) from <i>OTHER SPECIAL</i> <i>STATE FUNDS</i> <b>998</b>
2008	\$0	\$0	\$0	\$0
2009	(\$1,718,107)	(\$399,335)	(\$89,600)	(\$8,998)
2010	(\$1,895,843)	(\$440,645)	(\$98,869)	(\$9,929)
2011	(\$2,073,578)	(\$481,956)	(\$108,138)	(\$10,859)
2012	(\$2,310,558)	(\$537,037)	(\$120,497)	(\$12,100)

Fiscal Year	Probable (Cost) from <i>FEDERAL FUNDS</i> <b>555</b>
2008	\$0
2009	(\$379,750)
2010	(\$419,034)
2011	(\$458,319)
2012	(\$510,698)

## **Fiscal Analysis**

The bill would amend the Insurance Code to require certain health plans to provide coverage for autism spectrum disorder.

The bill would take effect September 1, 2007.

## **Methodology**

It is assumed that there would be costs for the Employees Retirement System associated with the bill. No fiscal impact to the state associated with Teachers Retirement System (TRS) administered programs is anticipated. However, to the extent that the provisions of the bill drive an increase in claims in the self-funded TRS-ActiveCare insurance program for public school employees, premiums in that program could increase by up to approximately \$100 per employee per fiscal year.

It is assumed that the bill requires coverage of children ages 2-5 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.

Based on the analysis of Texas Department of Insurance, it is assumed duties and responsibilities associated with implementing provisions of the bill, such as any necessary rule-making, can be accomplished by utilizing existing resources at that agency.

## **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:** 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance

**LBB Staff:** JOB, CL, MW, JW, SK