

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 10, 2009**

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

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

**IN RE: HB505** by McClendon (Relating to the creation of the health benefit plan innovations program in the Texas Department of Insurance.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB505, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

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

Fiscal Year	Probable (Cost) from <i>Dept Ins Operating Acct</i> 36	Probable Revenue Gain/ (Loss) from <i>Dept Ins Operating Acct</i> 36	Change in Number of State Employees from FY 2009
2010	(\$205,652)	\$205,652	3.0
2011	(\$191,303)	\$191,303	3.0
2012	(\$191,303)	\$191,303	3.0
2013	(\$191,303)	\$191,303	3.0
2014	(\$191,303)	\$191,303	3.0

**Fiscal Analysis**

The bill would amend the Insurance Code to create a new research program at the Texas Department of Insurance (TDI), the Health Benefit Plan Innovations Program, to study the number of uninsured individuals in the state, the reasons those individuals are uninsured, and possible solutions that would expand access to affordable health benefit plan coverage.

The bill states that FTEs to run the program must come from the existing department employees already employed in research and analysis area of the life/health division. The bill would require TDI to include the program's findings in the agency's biennial report to the legislature. The bill would grant the commissioner of insurance the authority to adopt rules about the implementation of this program. The bill states that TDI may accept gifts and grants from any party to assist with funding this program.

The bill would take effect on September 1, 2009.

### **Methodology**

According to TDI, the agency currently does not have any FTEs employed in the research and analysis area of the life/health division. It is assumed costs for implementing this bill would include salaries for an additional 3 FTEs, in the amount of \$143,952 each fiscal year with associated benefit costs of \$41,127. The FTEs would perform the research analysis functions of the new program. One time equipment costs in 2010 would be \$14,349. Other operating expenses would include telephone and consumable supplies at a cost of \$6,224 each fiscal year.

Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes the costs to implement this bill would come from fund balances or the maintenance tax would be set to recover a higher level of revenue.

### **Technology**

There would be a one-time technology impact of \$4,332 in fiscal year 2010 for computer hardware and software at TDI.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

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