

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 17, 2009

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: HB806 by Gallego (Relating to health benefit plan coverage for certain prosthetic devices, orthotic devices, and related services.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require certain health insurance plans to provide coverage for prosthetic devices, orthotic devices and related services equal to the coverage provided for such devices and services under Medicare.

The bill would take effect September 1, 2009, and would apply to all health plans delivered or renewed on or after January 1, 2010.

Based on the analysis of the Employees Retirement System (ERS), Teachers Retirement System (TRS), Texas A&M University System, and University of Texas System Administration, ERS HealthSelect, TRS-Care, TRS-ActiveCare, Texas A&M University System health insurance, and UTSELECT health insurance currently provide coverage equal to that provided under Medicare. It is anticipated that any costs realized by these agencies from implementing the provisions of the bill could be absorbed within existing resources.

Based on the analysis of the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of \$33,700 in the General Revenue Dedicated Account Fund 36 in fiscal year 2010 because the bill would result in filings of amendments to reflect this change of law by insurers.

Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all general revenue 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

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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