

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 24, 2009

TO: Honorable Vicki Truitt, Chair, House Committee on Pensions, Investments & Financial Services

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

IN RE: HB1176 by Crossover (Relating to the creation of a voluntary consumer-directed health plan for certain individuals eligible to participate in the insurance coverage provided under the Texas Employees Group Benefits Act and their qualified dependents.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill adds a new subchapter to Chapter 1551 of the Insurance Code, the Texas Employees Group Benefits Act. The bill requires the Employees Retirement System to establish a health savings account and purchase, or self-fund, a type of high-deductible health coverage for Group Benefit Program participants and their dependents. Participation in the program would be optional.

The bill would require the state to contribute to the cost of the high deductible health coverage in an amount equal to the amount it would otherwise contribute under basic insurance coverage. Employees would pay for any additional coverage. The bill would require any remaining state contribution in excess of the amount needed to fund the high-deductible health care coverage to be contributed to the participant's or dependent's health care savings account.

The Employees Retirement System actuary for insurance matters projects there will be a small net savings to the state in the early years, and slight increase in cost after the first two years.

The bill would take effect September 1, 2009, with coverage beginning September 1, 2010.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: JOB, JRO, MS, DEH