

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 14, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB2064 by Smithee (Relating to premium discounts for certain participants in the Texas Health Insurance Risk Pool and to related tax credits for health benefit plan issuers.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 1506 of the Insurance Code to provide discounted insurance premiums for specified participants in the Texas Health Insurance Risk Pool (Health Pool). The bill would provide that discounted premiums would be offered to certain members of the Health Pool on a sliding scale based on a person's financial need as defined by the bill.

The bill would amend Chapters 843 and 1301 of the Insurance Code to provide that a portion of certain penalty payments and interest payments that are statutorily paid by Health Maintenance Organizations and Preferred Provider Benefit plans for late claim payments would be used to fund the discounted premiums. The board of directors of the Health Pool would collect these penalty and interest payments.

The bill would take effect January 1, 2010.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, RS