

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

February 28, 2009

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

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

IN RE: SB39 by Zaffirini (Relating to health benefit plan coverage for routine patient care costs for enrollees participating in certain clinical trials.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB39, As Introduced: a negative impact of (\$601,403) 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	(\$601,403)
2012	(\$661,543)
2013	(\$721,683)
2014	(\$781,823)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Probable Savings/ (Cost) from <i>GR Dedicated Accounts</i> 994	Probable Savings/ (Cost) from <i>Other Special State Funds</i> 998	Probable Savings/ (Cost) from <i>State Highway Fund</i> 6
2010	\$0	\$0	\$0	\$0
2011	(\$601,403)	(\$24,910)	(\$2,634)	(\$136,967)
2012	(\$661,543)	(\$27,401)	(\$2,897)	(\$150,664)
2013	(\$721,683)	(\$29,892)	(\$3,160)	(\$164,361)
2014	(\$781,823)	(\$32,383)	(\$3,424)	(\$178,057)

Fiscal Year	Probable Savings/ (Cost) from <i>Federal Funds</i> 555
2010	\$0
2011	(\$134,486)
2012	(\$147,935)
2013	(\$174,832)
2014	(\$129,480)

Fiscal Analysis

The bill would amend the Insurance Code to require health insurance plans to provide coverage for routine patient care costs for enrollees participating in certain clinical trials.

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

Methodology

Based on the actuarial analysis of the Employees Retirement System (ERS), it is assumed the bill would result in a cost increase of 0.05 percent to the ERS Group Benefits Program (GBP) and that costs would total amounts in the table above. The additional cost is assumed to increase each year in accordance with the benefit cost trend of 7.5 percent per year.

Based on the analysis of the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of \$8,880 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.

Based on the analysis by the Teachers Retirement System, both TRS-Care and TRS ActiveCare insurance plans currently provide benefits for medically necessary routine care patient costs incurred concurrently with a clinical trial. It is anticipated that there would be no significant impact from implementation of the bill.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance

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