

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 12, 2011**

**TO:** Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

**IN RE: HB834** by Hernandez Luna (Relating to supplemental breast cancer screening.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB834, As Introduced: a negative impact of (\$1,738,721) through the biennium ending August 31, 2013.

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
2012	\$0
2013	(\$1,738,721)
2014	(\$1,880,499)
2015	(\$2,025,277)
2016	(\$2,113,665)

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

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>GR Dedicated Accounts</i> 994	Probable (Cost) from <i>Other Special State</i> <i>Funds</i> 998	Probable (Cost) from <i>State Highway Fund</i> 6
2012	\$0	\$0	\$0	\$0
2013	(\$1,738,721)	(\$62,583)	(\$8,915)	(\$333,243)
2014	(\$1,880,499)	(\$67,590)	(\$9,628)	(\$359,902)
2015	(\$2,025,277)	(\$72,597)	(\$10,341)	(\$386,562)
2016	(\$2,113,665)	(\$75,100)	(\$10,698)	(\$399,891)

Fiscal Year	Probable (Cost) from <i>Federal Funds</i> 555
2012	\$0
2013	(\$350,538)
2014	(\$378,581)
2015	(\$406,624)
2016	(\$420,645)

## **Fiscal Analysis**

The bill would amend the Health and Safety Code and the Insurance Code relating to supplemental breast cancer screening. The bill would require that physicians consulting with patients regarding mammography results provide a copy of the patient's mammography report, which must include a notice regarding supplemental breast cancer screening tests. The bill would require that certain health benefit plans provide coverage for supplemental breast cancer screening including MRI examination, ultrasound screening, or any other method determined by the physician when the patient has dense breast tissue and additional risk factors that the physician believes warrant supplemental screening.

The bill would take effect September 1, 2011. The changes in the requirements apply only to a group health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2012.

## **Methodology**

Based on the analysis provided by the Employee Retirement System (ERS), the expanded health benefits coverage would cost \$1,459,721 in General Revenue, \$62,583 in General Revenue – Dedicated 994, \$8,915 in Other Special State Funds 998, \$333,243 in State Highway Fund 6, and \$350,538 in Federal Funds in fiscal year 2013. It is assumed that the costs in fiscal years 2014 through 2016 would increase in accordance with the projected annual benefit cost trend.

Based on the analysis provided by the University of Texas System Administration, the expanded health benefits coverage would cost the plan \$279,000 in General Revenue in fiscal year 2013. It is assumed that the costs in fiscal years 2014 through 2016 would increase in accordance with the projected annual benefit cost trend.

Based on the analysis provided by the Texas Department of Insurance (TDI), it is assumed that any costs associated with the implementation of this bill would be absorbed within existing agency resources. Also based on information provided by TDI, this analysis assumes that implementation of the bill could result in a one-time revenue gain (\$31,000 in fiscal year 2012) in General Revenue-Dedicated Texas Department of Insurance Fund 36 from filing fees. Since General Revenue-Dedicated Texas Department of Insurance Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in the account fund balances and that the department would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

Based on the analysis provided by the Texas A&M University System, the Teacher Retirement System, and the Department of State Health Services, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources. Based on the analysis provided by the Health and Human Services Commission, this bill will have no fiscal impact on the agency.

In fiscal years 2014 through 2016, these costs may differ depending on the essential health benefits approved by Health and Human Services per Section 1311 (d) (3) (B) of the Patient Protection and Affordable Care Act of 2010.

## **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, 529 Health and Human Services Commission, 537 State Health Services, Department of, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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