

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 19, 2011

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

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

IN RE: HB2102 by Hernandez Luna (Relating to the requirement that certain health benefit plans provide coverage for supplemental breast cancer screening.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2102, As Introduced: a negative impact of (\$1,587,720) 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	(\$1,587,720)
2014	(\$1,715,499)
2015	(\$1,845,277)
2016	(\$1,917,665)

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	(\$1,587,720)	(\$62,583)	(\$8,915)	(\$333,243)
2014	(\$1,715,499)	(\$67,590)	(\$9,628)	(\$359,902)
2015	(\$1,845,277)	(\$72,590)	(\$9,628)	(\$359,902)
2016	(\$1,917,665)	(\$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 Insurance Code relating to the requirement that certain health benefit plans provide coverage for supplemental breast cancer screening. The bill would add requirements that health benefit plans offering coverage for mammography must also provide coverage for supplemental breast cancer screening in cases where a physician finds that a patient has dense breast tissue as well as additional risk factors believed to warrant screening beyond mammography. The bill would define supplemental breast cancer screening to include breast MRI or any other screening method recommended by a professional association or agency with expertise in mammography, including the National Cancer Institute and the National Comprehensive Cancer Network, based on a patient's specific risk factors.

The bill would take effect September 1, 2011. The changes in the requirements apply only to a 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 \$128,000 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 (\$33,100 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 and the Teacher Retirement System, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

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, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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