

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 17, 2013

TO: Honorable Bill Callegari, Chair, House Committee On Pensions

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB739 by Crowover (Relating to the creation of a voluntary consumer-directed health plan for certain individuals eligible to participate in the group benefits program provided under the Texas Employees Group Benefits Act and their qualified dependents.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Insurance Code to require the Employees Retirement System to establish a consumer-directed health plan which would include a high deductible health plan and a health savings account as an option for Group Benefit Program participants. Participation in the program would be voluntary. The bill would take effect September 1, 2013, with coverage beginning September 1, 2014.

ERS indicates that any administrative costs associated with the bill could be absorbed with existing resources. ERS further anticipates that the plan design and rates of the high deductible health plan would be monitored closely and adjusted as needed to maintain neutral cost; therefore, ERS estimates that there would be no significant impact to the Group Benefit Program.

The bill directs the state to contribute the excess over the cost of the high deductible plan, if any, of the amount that would otherwise be made on the member's behalf under HealthSelect to a health savings account. ERS reports that these amounts would be adjusted to neutralize the cost.

The bill would require ERS to submit a report by January 1, 2019 to the governor, lieutenant governor, speaker of the house, and Legislative Budget Board on the usage, cost-effectiveness, and future viability of the consumer-directed health plan.

Local Government Impact

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

Source Agencies: 327 Employees Retirement System

LBB Staff: UP, RB, EP, PFe