

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 24, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1367 by Duncan (Relating to abolishing the Texas Health Insurance Pool.), As Introduced

The fiscal implications of the bill are indeterminate primarily as the collections, timing, and location of deposit and expenditures of certain fee revenues and existing balances would be contingent on the Commissioner of Insurance's approval of a future plan to dissolve the Texas Health Insurance Pool that is not known at this time.

The bill would repeal Chapter 1506 of the Insurance code which would abolish the Texas Health Insurance Pool.

The bill would require the Texas Health Insurance Pool board to develop a plan for dissolving the pool and transferring all assets, rights, obligations and authority of the board to the Texas Department of Insurance (TDI) and the Commissioner of Insurance. The bill would require the plan to be submitted to the commissioner for approval.

The bill would prohibit the pool from issuing health benefit coverage after December 31, 2013, or by the earliest date on which health benefit coverage is reasonably available through a health benefit exchange on a guaranteed basis as determined by the commissioner. Under the provisions of the bill, any health benefit coverage already in force would terminate on the later of January 1, 2014, or the earliest date an individual would either be enrolled in comparable coverage or could reasonably be expected to have obtained coverage on a guaranteed basis through a health benefit exchange as determined by the commissioner.

The bill would grant TDI authority, upon dissolution of the pool, to accept and process claims for payments of obligations incurred and issued by the pool. The bill would authorize TDI to recover overpayments or other amounts the pool would have been authorized to recover. The bill would also authorize TDI to make assessments against health benefit plan insurers until all financial obligations of the board and the pool have been satisfied. At that time, the bill would require the Commissioner of Insurance to make a final accounting of the pool's finances and make any final assessments or refunds. Under the provisions of the bill, certain penalty revenue previously paid into the pool would be paid, at the discretion of the commissioner, into either the Healthy Texas Small Employer Premium Stabilization Fund 0329 to be used for the purposes of the fund or to the Texas Health Service Authority to be used for its established purposes.

The fiscal implications of the bill are indeterminate due to the extent and availability of health benefit coverage through a health benefit exchange being unknown and because the collections;

timing and location of deposits; and expenditures of certain fee revenues and existing balances would be contingent on the Commissioner of Insurance's approval of a future plan to dissolve the Texas Health Insurance Pool that is not known at this time. The bill would also authorize the Commissioner of Insurance, by rule, to delay the implementation of any part of the bill under certain circumstances described by the bill.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2013.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance

LBB Staff: UP, AG, MW, ER