

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 1, 2017

TO: Honorable Larry Phillips, Chair, House Committee on Insurance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3560 by Oliverson (Relating to required coverage for obesity under group health benefit plans.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to required coverage for obesity under group health benefit plans. Based on information provided by the Texas Department of Insurance, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The provisions of the bill do not apply to the HealthSelect Plan within the Employees Retirement System's (ERS) Group Benefits Program. If the provisions apply to ERS's Health Maintenance Organizations, which have significantly fewer members, this analysis assumes that costs would not exceed \$2.8 million in fiscal year 2019 in General Revenue.

According to the Health and Human Services Commission (HHSC), the provisions of the bill would not be implemented for Medicaid and the Children's Health Insurance Program (CHIP); therefore, no significant fiscal impact to HHSC would be anticipated. If the provisions of the bill were implemented for Medicaid and CHIP, there could be a cost to do so if HHSC chose to increase premiums to account for the obesity coverage managed care organizations would be required to provide.

The bill would require the Comptroller of Public Accounts (CPA) to submit a biennial report on the human and financial cost of obesity, not later than November 1 of each even-numbered year, to the Legislature. This provision would expire December 1, 2020. CPA estimates there would be a cost associated with producing the report; this analysis assumes that the cost could be absorbed within existing resources.

The bill would take effect on September 1, 2017; however, the provisions of the bill would only apply to a group health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2018.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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