

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 8, 2019**

**TO:** Honorable Eddie Lucio III, Chair, House Committee on Insurance

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB217** by Gervin-Hawkins (Relating to health benefit plan coverage for hair prostheses for cancer patients.), **As Introduced**

**No significant fiscal implication to the State is anticipated in the 2020-21 biennium.** Medicaid costs are expected to increase and become significant in future years.

The bill would amend the Insurance Code to require that health benefit plans provide coverage for hair prostheses for cancer patients. The benefit amount for the coverage required must not be less than \$100 for a hair prosthesis or the repair or replacement of a hair prosthesis. The bill would prohibit health benefits plans from charging an additional premium for the coverage, but would allow coverage to be subject to annual deductibles, copayments, and coinsurance.

It is assumed the new benefit would become available in Medicaid in fiscal year 2021 due to the time needed to implement the policy change. It is assumed any costs to the Medicaid program, including costs of implementation, could be absorbed within the available resources of the Health and Human Services Commission in the 2020-21 biennium. Costs would be expected to increase in future years and become significant, exceeding \$1.0 million in All Funds beginning in fiscal year 2023.

Based on information provided by the Texas Department of Insurance, Employees Retirement System, Teacher Retirement System, The University of Texas System Administration, and Texas A&M University System Administration, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect on September 1, 2019; however, the provisions of the bill would only apply to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2020.

**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,

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

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