

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 15, 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: HB1635 by Miller (Relating to health benefit plan coverage for early childhood intervention services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1635, As Introduced: an impact of \$0 through the biennium ending August 31, 2021.

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
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>School Employees UGIP Trust Fund</i> 855	Probable Savings/(Cost) from <i>RETIRED SCHOOL EMP GROUP</i> <i>INSURANCE</i> 989
2020	(\$22,743,000)	(\$54,000)
2021	(\$22,743,000)	(\$54,000)
2022	(\$22,743,000)	(\$54,000)
2023	(\$22,743,000)	(\$54,000)
2024	(\$22,743,000)	(\$54,000)

Fiscal Analysis

The bill would amend the Insurance Code to require that certain health plans cover rehabilitative and habilitative therapies and related services provided to children by certain certified or licensed

professionals, including specialized skills training, applied behavior analysis, and case management. The bill would require the rehabilitative and habilitative therapies and related services to be covered in the amount, duration, scope and service setting established in the child's individualized family service plan. The bill would allow health plans to limit annual coverage for specialized skills training, including case management costs, to \$9,000 per year per child.

Methodology

The Teacher Retirement System (TRS) estimates the bill would result in additional claims costs totaling \$22,743,000 per year for the ActiveCare program and \$54,000 per year for the TRS-Care program. The bill would not amend statutorily required state contribution rates to ActiveCare or TRS-Care, therefore no impact to General Revenue is anticipated. However, additional costs may result in a need for higher contributions to each program by the state, employers, and/or members.

This analysis assumes the provisions of the bill could be implemented by the Texas Department of Insurance and Health and Human Services Commission using existing resources.

Local Government Impact

Additional costs to the TRS-Care and ActiveCare programs may result in a need for higher contributions to each program by public education employers.

Source Agencies: 323 Teacher 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

LBB Staff: WP, CMa, AM, ASa, AO