

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 29, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB571 by Gates (relating to the establishment of a bundled-pricing program to reduce certain health care costs in the state employees group benefits program.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to the establishment of a bundled-pricing program to reduce certain health care costs in the state employees group benefits program. The bill would require the Employees Retirement System (ERS) to issue a new solicitation for a third party administrator to provide and administer a bundled payment program. According to ERS, selecting a vendor to implement such a program and utilizing a separate procurement process than the current bundled payment program may result in additional expenses. Based on information provided by the Texas Department of Insurance and ERS, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 454 Department of Insurance

LBB Staff: JMc, AAL, MB, MPUK, JPO