

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 29, 2021

TO: Honorable Tom Oliverson, Chair, House Committee on Insurance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB887 by Shaheen (Relating to telemedicine medical services and telehealth services covered by certain health benefit plans or provided by a pharmacist.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB887, As Introduced : a negative impact of (\$925,986) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$653,218)
2023	(\$272,768)
2024	(\$273,120)
2025	(\$273,482)
2026	(\$273,856)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$653,218)	2.0
2023	(\$272,768)	2.0
2024	(\$273,120)	2.0
2025	(\$273,482)	2.0
2026	(\$273,856)	2.0

Fiscal Analysis

The bill would amend the Insurance Code and Occupations Code relating to telemedicine medical services and telehealth services covered by certain health benefit plans or provided by a pharmacist. The bill would include mental health professionals and individuals credentialed to provide qualified mental health professional community services to the definition of health professional for whom certain health benefit plan issuers must reimburse for covered health services provided via telehealth/telemedicine at the same rate as the health plan would reimburse for the service or procedure in an in-person setting. The bill would require that a health plan issuer may not require additional documentation for the service provided via telehealth/telemedicine service than it requires for the service provided in an in-person setting.

Methodology

Based on information provided by the Texas Department of State Health Services (DSHS), the agency does not currently have an alternate credentialing process for mental health professional community services and will need to develop this program as directed in the bill. The agency would develop a web portal to accomplish this goal.

This analysis assumes an additional 2.0 FTEs would be needed by the agency to establish the credentialing criteria and the needed components of the credentialing process, develop program rules and policies, and conduct day to day operations of the credentialing process. The estimated cost for the additional FTEs and information technology needs is \$0.7 million in General Revenue in fiscal year 2022, and \$0.3 million in General Revenue in each subsequent year.

The Health and Human Services Commission indicates that the agency does not have sufficient information to determine the fiscal impacts of the bill resulting from increased accessibility and utilization of services.

Technology

Overall technology costs associated with the bill, including web portal design and maintenance, and end user software and services totals \$0.5 million in fiscal year 2022, and \$0.1 million in fiscal year 2023 and each subsequent year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 454 Department of Insurance, 529 Hlth & Human Svcs Comm,
537 State Health Services

LBB Staff: JMc, AAL, MB, MPUK