

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 5, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1907** by Walle (Relating to the establishment of a statewide all payor claims database to store publicly accessible information.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1907, As Introduced : a negative impact of (\$8,967,488) 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	(\$3,977,131)
2023	(\$4,990,357)
2024	(\$5,084,195)
2025	(\$5,042,170)
2026	(\$5,018,385)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$3,977,131)	19.7
2023	(\$4,990,357)	19.7
2024	(\$5,084,195)	19.7
2025	(\$5,042,170)	19.7
2026	(\$5,018,385)	19.7

**Fiscal Analysis**

The bill would require the Department of State Health Services (DSHS) to collaborate with the Center for Healthcare Data (the center) at the University of Texas Health Science Center at Houston to establish a statewide all payor claims database to collect, process, and store health care claims information. The center would be required to administer, manage, and provide public access to the database.

DSHS, the Texas Higher Education Coordinating Board (THECB), and the Texas Department of Insurance (TDI) would be required to adopt a memorandum of understanding regarding the database.

## **Methodology**

The analysis assumes that as administrator of the statewide all payor claims database, funding would be provided directly to the center to implement the provisions of the bill. The analysis also assumes that all costs related to implementing the bill would be in General Revenue; however, \$2,500,000 million in costs over a three-year period could be offset by federal grants that the institution expects to receive if the program is established.

According to the University of Texas Health Science Center at Houston, the center would require 19.0 Full-time Equivalents (FTEs) to design, build, and provide ongoing maintenance for the database and 0.7 FTEs for faculty to serve as the investigator and co-investigator on the project. In addition, the center would have costs related to the purchase of servers and required ongoing maintenance of the data warehouse that would store the information related to data receipt, cleaning, translating, storage, and processing.

It is assumed the provisions of the bill relating to DSHS, TDI, and THECB could be implemented within existing resources.

## **Technology**

Technology costs include \$2,500,000 in fiscal year 2022; \$1,250,00 in fiscal year 2023; \$1,050,000 in fiscal year 2024; \$900,000 in fiscal year 2025; and \$750,000 in fiscal year 2026 related to the purchase of servers and required ongoing maintenance of the data warehouse that will store the information related to data receipt, cleaning, translating, storage, and processing.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance, 537 State Health Services, 720 UT Sys Admin, 781 Higher Education Coordinating Board

**LBB Staff:** JMc, AAL, JLI, NDA