

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 12, 2021

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2090 by Burrows (relating to the establishment of a statewide all payor claims database and health care cost disclosures by health benefit plan issuers and third-party administrators.), **Committee Report 2nd House, Substituted**

The fiscal implications of the bill cannot be determined at this time.

The bill would amend the Insurance Code relating to the establishment of a statewide all payor claims database and health care cost disclosures by health benefit plan issuers and third-party administrators. The bill would direct the Center for Healthcare Data (CHD) at The University of Texas Health Science Center at Houston to serve as the administrator of the database and manage the information submitted for inclusion in the database. The bill also establishes disclosure requirements around health care costs to enrollees, including via an internet-based self-service tool and a physical copy of requested information.

Based on information provided by UT System Administration, the scope and nature of the required disclosures has the potential to significantly impact to the ability of insurers to effectively negotiate terms and establish preferred provider networks, which are a key cost saving measure. Further, the bill is expected to result in a \$24.1 million fiscal impact and 19.0 FTEs to the UT System (at UTHSC Houston) over the next five years.

According to Texas A&M University System Administration, implementation of portals would be required of TAMUS' health plan administrator and pharmacy benefit manager, which may or may not require coordination with TAMUS System Benefits Administration Office; therefore, the fiscal impact cannot be determined at this time.

According to the Health and Human Services Commission (HHSC), the agency is unable to estimate costs for implementation of the bill as costs could vary depending on how the bill is implemented. If HHSC continues to gather and submit data to the center through its existing process, there may be a cost to HHSC related to the ongoing transfer of Medicaid data. HHSC already provides an annual claims data file to the center, so the extent of additional costs from this bill is unknown. If MCOs submit data directly to the center, MCOs may incur costs related to information technology systems changes. Depending on the level of costs incurred to the MCOs, the managed care capitation rate may need to be adjusted.

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 Hlth & Human Svcs Comm, 710 Texas A&M Univ System Admin, 720 UT Sys Admin

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