

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 19, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to coverage for supplemental ultrasound imaging to screen for breast cancer under certain health benefit plans.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3423, As Introduced : a negative impact of (\$493,879) 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>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	(\$493,879)
2024	(\$521,456)
2025	(\$550,286)
2026	(\$580,372)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from State Highway Fund 6	Probable Savings/(Cost) from Federal Funds 555	Probable Savings/(Cost) from School Employees UGIP Trust Fund 855
2022	\$0	\$0	\$0	\$0
2023	(\$493,879)	(\$60,280)	(\$47,676)	(\$1,000,000)
2024	(\$521,456)	(\$63,650)	(\$50,341)	(\$1,000,000)
2025	(\$550,286)	(\$67,207)	(\$53,155)	(\$1,100,000)
2026	(\$580,372)	(\$70,951)	(\$56,116)	(\$1,100,000)

<i>Fiscal Year</i>	Probable Savings/(Cost) from RETIRED SCHOOL EMP GROUP INSURANCE 989	Probable Savings/(Cost) from GR Dedicated Accounts 994	Probable Savings/(Cost) from Other Special State Funds 998
2022	(\$459,000)	\$0	\$0
2023	(\$468,000)	(\$31,236)	(\$4,932)
2024	(\$478,000)	(\$32,982)	(\$5,208)
2025	(\$487,000)	(\$34,825)	(\$5,499)
2026	(\$497,000)	(\$36,766)	(\$5,805)

Fiscal Analysis

The bill would amend the Insurance Code to require supplemental coverage for ultrasound imaging to screen for breast cancer under certain health benefit plans. The bill requires certain health plans to provide coverage for supplemental two- or three-dimensional breast ultrasound imaging as part of an annual screening covered under the plan if a licensed health care professional treating the enrollee or screening the enrollee for breast cancer finds that the enrollee has dense breast tissue. The bill applies to plans issued or renewed on or after January 1, 2022.

Methodology

According to the Employees Retirement System, the Group Benefits Plan (GBP) currently covers breast cancer screenings at no cost to members. The bill would require the GBP to cover diagnostic ultrasound imaging as well. The estimated cost to the state from the GBP is \$548,003 in fiscal year 2023 and \$578,637 in fiscal year 2024. The additional cost to the health plans may result in the need for higher contributions from both the state and plan members depending on actual plan experience and the totality of benefit requirements passed by the Legislature.

Based on information provided by UT System Administration, plans authorized under Chapter 1601, including the UT SELECT and UT CONNECT Medical plans, would be subject to the expanded provisions. Given the expansion of required coverage, some level of increased utilization would be expected. The additional Plan cost resulting from the requirements in this bill would require higher contributions from both the employers and the members totaling approximately \$3.5 million over the five year period from FY2023 through FY2027. The increased cost would be split at about \$2.9 million (\$0.5 million general revenue/\$2.4 million institutional funds) for the employers (83.5%) and \$0.6 million for the members (16.5%). The employer cost would be in the form of increased premium sharing contributions while the member cost would be increased premium contributions.

Based on information provided by Teacher Retirement System, primary care coverage plan under Chapter 1579 (TRS-ActiveCare) cost would be \$1.0 million in fiscal year 2023 and fiscal year 2024. Basic plan under Chapter 1575 (TRS-Care) cost would be \$0.5 million in 2022 and 2023.

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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