

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 22, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1296 by Johnson (relating to the authority of the commissioner of insurance to review rates and rate changes for certain health benefit plans.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1296, Committee Report 1st House, Substituted : an impact of \$0 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	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from Dept Ins Operating Acct 36	Probable Revenue Gain/(Loss) from Dept Ins Operating Acct 36	Change in Number of State Employees from FY 2021
2022	(\$58,117)	\$58,117	0.5
2023	(\$57,367)	\$57,367	0.5
2024	(\$57,367)	\$57,367	0.5
2025	(\$57,367)	\$57,367	0.5
2026	(\$57,367)	\$57,367	0.5

Fiscal Analysis

The bill would amend the Insurance Code relating to the authority of the commissioner of insurance to review rates and rate changes for certain health benefit plans. The bill requires the commissioner to review health benefit plan rates and rate changes for compliance with federal law.

Methodology

Based on information provided by the Texas Department of Insurance (TDI), review of rates for association plans will increase the number of rate filings processed. The agency estimates that additional time required for ensuring filings comply with federal guidelines following training would be an additional 20 hours on average, with approximately 40 filings per year, totaling an additional 800 work hours. The bill would result in a cost of \$0.1 million in General Revenue-Dedicated Fund 36 per fiscal year and 0.5 FTEs, for an actuary at TDI.

Due to the self-leveling nature of the TDI operating account, any additional appropriations made from the account would be considered in the annual adjustment of the maintenance tax rates. Therefore, the overall revenue into the TDI operating account will be equal to the expenses and no net change in fund balance would occur because of this bill.

Technology

There is no anticipated technology impact as a result of implementing this bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JMc, SZ, MB, MPUK