

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 27, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB468 by Thierry (Relating to health benefit plan coverage of hearing aids and cochlear implants for certain individuals.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB468, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

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 <i>General Revenue Related Funds</i>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>School Employees UGIP Trust Fund</i> 855
2024	(\$105,000)
2025	(\$109,000)
2026	(\$114,000)
2027	(\$119,000)
2028	(\$124,000)

Fiscal Analysis

The bill would increase the maximum age of covered individuals, for which a health benefit plan must provide coverage for the cost of a medically necessary hearing aid or cochlear implant, related services, and supplies, from 18 to 25 years. The bill would take effect on September 1, 2023 and apply only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2024.

**Methodology**

According to the Teacher Retirement System, an estimated 3.0 percent of members covered under either the TRS-Care or TRS-ActiveCare plans would utilize this coverage, which would represent approximately 0.01 percent of estimated claims per year. The analysis assumes medical costs will increase by 5.0 percent per year. Additional costs to the TRS-ActiveCare program are estimated to be \$214,000 for the 2024-25 biennium. This analysis assumes that additional costs to the TRS-Care program could be absorbed by utilizing existing resources. Additional costs would not increase the statutorily required state contributions to the TRS-Care and TRS-ActiveCare programs for the 2024-25 biennium; therefore, no significant fiscal impact to the General Revenue Fund is anticipated. However, the additional costs may result in the need for additional contributions from the State, employers, or members to the TRS-Care and TRS-ActiveCare programs, or for plan benefit changes.

Based on the analysis of the Employees Retirement System, Department of Insurance, Health and Human Services Commission, Texas A&M University System Administrative & General Offices, and the University of Texas System Administration, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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