

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 21, 2023

TO: Honorable Giovanni Capriglione, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5186 by Bonnen (relating to the establishment of the state health benefit plan reimbursement review board and the reimbursement for health care services or supplies provided under certain state-funded health benefit plans.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated in fiscal year 2024. The fiscal implications of the bill for fiscal year 2025 and subsequent years cannot be determined at this time due to the lack of information regarding the reimbursement structure that the State Health Benefit Plan Reimbursement Review Board as created by the bill would adopt for certain health care services and supplies.

The bill would amend the Government and Insurance Codes to place limitations on reimbursements paid for certain health care services or supplies by state-funded health benefit plans. The bill would create the State Health Benefit Plan Reimbursement Review Board which would adopt a reimbursement structure for certain health care services or supplies that certain state-funded health benefit plans would be required to abide by. Before the board adopts a reimbursement structure, state-funded health benefits plans would be required to submit to the board a report containing information on reimbursements and costs paid by the plan during the preceding plan year; recommendations to the board regarding the provider reimbursement structure to be adopted by the board; and a summary of public comments received on recommendations they provide to the board.

The Act would take effect September 1, 2023, and the changes in the law would apply to a plan year beginning on or after September 1, 2024.

According to the Teacher Retirement System (TRS) and Employees Retirement System (ERS), the fiscal impact of implementing the provisions of the bill cannot be determined due to the lack of information regarding the reimbursement structure the board would adopt for certain health care services or supplies. According to TRS and ERS, depending on the structure established, substantial savings may occur by implementing the provisions of the bill. According to the University of Texas System Administration, because the provisions are intended to control present and future cost growth, some savings might result from the bill.

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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