

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**April 11, 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 certain limitations on reimbursements paid for inpatient and outpatient hospital services for certain publicly funded health benefit plan coverage for employees and retirees.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time due to the lack of information regarding the maximum rates that certain health care providers may charge for certain services.

The bill would amend the Insurance Code to place certain limitations on reimbursements paid for inpatient and outpatient hospital services by state funded health benefit plans.

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 maximum rate that a health care provider may charge for certain health care services. According to TRS and ERS, depending on the rates established, substantial savings may occur by implementing the provisions of the bill. According to the University of Texas System Administration, because the provisions would set a maximum limit on reimbursement rates that would override any other contract agreements with higher reimbursements levels, 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

**LBB Staff:** JMc, MOc, LCO, JPO