

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

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

**May 14, 2023**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB2476** by Zaffirini (relating to consumer protections against certain medical and health care billing by emergency medical services providers.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB2476, Committee Report 2nd House, Substituted : 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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from School Employees UGIP Trust Fund 855</b>	<b>Probable Savings/(Cost) from RETIRED SCHOOL EMP GROUP INSURANCE 989</b>
2024	\$0	(\$2,000,000)
2025	(\$3,025,000)	(\$3,130,000)
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0

**Fiscal Analysis**

The bill would prohibit emergency medical services providers from engaging in balance billing. The bill would also authorize a political subdivision to submit a rate set, controlled, or regulated by the political subdivision that a health benefit plan administrator must pay for covered transportation services provided by an out-of-network emergency medical services providers. If the political subdivision has not submitted a rate, the health benefit plan administrator must pay the lesser of the provider's billed charge or 325.0 percent of the current Medicare rate. 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. The section of the bill establishing the

rate which a health benefit plan administrator must pay for out-of-network emergency medical services expires on September 1, 2025.

### **Methodology**

According to the Teacher Retirement System (TRS), implementing the provisions of the bill would result in additional costs to the TRS-Care and TRS-ActiveCare health plans by requiring the benefit plans to cover out-of-network emergency medical services at either the rate set, controlled, or regulated by the political subdivision, or the lesser of 1) the provider's billed charge or 2) 325.0 percent of the current Medicare rate. Additional costs to the TRS-Care program are estimated to be \$5.1 million for the biennium. Additional costs to the TRS-ActiveCare program are estimated to be \$3.0 million for the biennium. These costs are based on the difference between the total number of emergency medical services providers billed for out-of-network providers in plan year 2022 and 325.0 percent of the current Medicare rate. The difference between the total number of emergency medical services providers billed for out-of-network providers in plan year 2022 and the usual and customary rate is \$3.3 million for the biennium for TRS-Care and \$1.3 million for the biennium for TRS-ActiveCare. 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

**LBB Staff:** JMc, AAL, ASA, MMo, NPc