

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 13, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB138 by Dean (Relating to the establishment of the Health Impact, Cost, and Coverage Analysis Program; authorizing a fee.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB138, As Engrossed: an impact of \$0 through the biennium ending August 31, 2027.

The University of Texas Health Science Center at Houston is required to implement a provision of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, The University of Texas Health Science Center at Houston may, but is not required to, implement a provision of the bill using other appropriations available for that purpose.

This bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,969,000)	\$1,969,000	6.0
2027	(\$1,969,000)	\$1,969,000	6.0
2028	(\$2,057,000)	\$2,057,000	6.0
2029	(\$2,057,000)	\$2,057,000	6.0
2030	(\$2,182,000)	\$2,182,000	6.0

Fiscal Analysis

The bill requires the Center for Health Care Data (the Center) at The University of Texas Health Science Center at Houston (UTHSC Houston) to establish the Health Impact, Cost, and Coverage Analysis Program (the

Program) to prepare analyses of proposed legislation that would impose new mandates on health benefit plan issuers or administrators.

The bill requires the Comptroller of Public Accounts to assess an annual fee on each health maintenance organization and insurer offering preferred provider benefit plans in an amount necessary to cover the cost of implementing and operating the Program. The bill requires the Comptroller, in consultation with the Center, to determine the necessary amount of the fee and adjust the amount as needed to cover increases in costs, or deficits incurred during the preceding fiscal year, in each fiscal biennium. The legislature may appropriate money received from the issuance of the fee only to the Center.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

According to UTHSC Houston, 5.0 full-time equivalents (FTEs) would be needed to implement the provisions of the bill, along with certain professional services and required external review services. This analysis assumes a fee will be assessed by the Comptroller in the amount necessary to implement the Program to cover the General Revenue impact, thus leading to no significant statewide fiscal impact.

The fiscal impact assumes that the annual fee in a biennium will be set at the estimated average annual cost of the Program. The Comptroller anticipates administrative costs associated with hiring 1.0 FTE for implementation and future administration of the assessment and the collection of premium information to calculate the assessment amount for each issuer. It is assumed these administrative costs could be absorbed with existing funds. According to the Comptroller of Public Accounts, if the bill takes effect immediately upon enactment, there would be no significant cost of implementation in fiscal year 2025 and no fee assessment for that fiscal year.

The Health and Human Services Commission has indicated there will be a fiscal impact to that agency but that the amount cannot be determined since the amount of the fee that will be assessed is unknown.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 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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