

SENATE AMENDMENTS
2nd Printing

By: Dean, Paul, Gerdes, Hull, Leach, et al. H.B. No. 138

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the Health Impact, Cost, and Coverage Analysis Program; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 38, Insurance Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. HEALTH IMPACT, COST, AND COVERAGE ANALYSIS PROGRAM

Sec. 38.451. DEFINITIONS. In this subchapter:

(1) "Analysis program" means the Health Impact, Cost, and Coverage Analysis Program established under Section 38.452.

(2) "Center" means the Center for Health Care Data at The University of Texas Health Science Center at Houston.

(3) "Enrollee" means an individual who is enrolled in a health benefit plan, including a covered dependent.

(4) "Health benefit plan issuer" means an insurer, health maintenance organization, or other entity authorized to provide health benefits coverage under the laws of this state, including a Medicaid managed care organization. The term does not include an issuer of workers' compensation insurance.

(5) "Health benefits coverage" does not include workers' compensation.

(6) "Health care provider" means a physician, facility, or other person who is licensed, certified, registered, or otherwise authorized to provide a health care service in this

1 state.

2 (7) "Health care service" means a service, procedure,
3 drug, or device to diagnose, prevent, alleviate, cure, or heal a
4 human disease, injury, or unhealthy or abnormal physical or mental
5 condition, including a service, procedure, drug, or device related
6 to pregnancy or delivery.

7 (8) "Mandate" means a provision contained in a
8 legislative document that requires a health benefit plan issuer or
9 administrator, with respect to health benefits coverage, to:

10 (A) provide coverage for a health care service;

11 (B) increase or decrease payments to health care
12 providers for a health care service; or

13 (C) implement a new contractual or
14 administrative requirement.

15 Sec. 38.452. ESTABLISHMENT OF HEALTH IMPACT, COST, AND
16 COVERAGE ANALYSIS PROGRAM. The center shall establish the Health
17 Impact, Cost, and Coverage Analysis Program to prepare analyses of
18 legislative documents that would impose new mandates on health
19 benefit plan issuers or administrators in this state.

20 Sec. 38.453. REQUEST FOR ANALYSIS OF PROPOSED LEGISLATION.

21 (a) Regardless of whether the legislature is in session, the
22 lieutenant governor, the speaker of the house of representatives,
23 or the chair or vice chair of the appropriate committee in either
24 house of the legislature may submit a request to the analysis
25 program to prepare and develop an analysis of proposed legislation
26 that imposes a new mandate on health benefit plan issuers or
27 administrators in this state.

1 (b) A request may not be submitted under this section for an
2 analysis of legislation that has already been enacted.

3 (c) A request submitted under this section must include a
4 copy of the relevant legislative document.

5 Sec. 38.454. IMPACT ANALYSIS OF LEGISLATION ON HEALTH
6 COVERAGE COSTS. (a) Except as provided by Subsection (b), on
7 receiving a request under Section 38.453, the analysis program
8 shall, using data compiled by the statewide all payor claims
9 database established under Subchapter I and scientific or
10 peer-reviewed academic literature, conduct an analysis of, as
11 applicable, and prepare an estimate of, as applicable, the extent
12 to which:

13 (1) based on a review of scientific or peer-reviewed
14 academic literature, the legislation is expected to impact public
15 health in this state and the health of communities in this state,
16 including by reducing hospitalizations and instances of
17 communicable disease and by providing other benefits of prevention;

18 (2) the legislation is expected to increase or
19 decrease the total cost of health coverage in this state, including
20 the estimated dollar amount of that increase or decrease;

21 (3) the legislation is expected to increase the use of
22 any relevant health care service in this state;

23 (4) the legislation is expected to increase or
24 decrease administrative expenses of health benefit plan issuers or
25 administrators and expenses of enrollees, plan sponsors,
26 policyholders, and health care providers;

27 (5) the legislation is expected to increase or

1 decrease spending by all persons in the private sector, by public
2 sector entities, including state or local retirement systems and
3 political subdivisions, by employers or plan sponsors, and by
4 individuals purchasing individual health insurance or health
5 benefit plan coverage in this state;

6 (6) the legislation is expected to reduce instances of
7 premature death;

8 (7) health benefit plans offered or administered in
9 this state currently deny access to a relevant benefit or service;

10 (8) coverage for any relevant health care service is,
11 without the legislation, generally available or used, including an
12 analysis and identification of the plans in the group and
13 individual insurance markets in this state that, without the
14 legislation, already offer coverage for the relevant health care
15 service;

16 (9) any relevant health care service is supported by
17 existing medical and scientific evidence, including:

18 (A) the extent to which, based on a review of
19 scientific or peer-reviewed academic literature, the health care
20 service is recognized by the medical community as being effective
21 in the screening, diagnosis, treatment, or amelioration of a
22 condition or disease;

23 (B) determinations made by the United States Food
24 and Drug Administration;

25 (C) coverage determinations made by the Centers
26 for Medicare and Medicaid Services;

27 (D) determinations made by the United States

1 Preventive Services Task Force; and

2 (E) nationally recognized clinical practice
3 guidelines; and

4 (10) the legislation is expected to increase or
5 decrease the cost of any relevant benefit or health care service in
6 this state, including an estimate of the impact of the legislation
7 on anticipated costs or savings for:

8 (A) the short term by estimating costs or savings
9 for the first calendar year after the legislation takes effect; and

10 (B) the long term by estimating costs or savings
11 for at least the first two calendar years after the legislation
12 takes effect.

13 (b) If, in conducting an analysis under this section, the
14 analysis program determines that the analysis program is unable to
15 provide a reliable assessment of a factor described by Subsection
16 (a), the analysis program shall include in the analysis a statement
17 providing the basis for that determination.

18 (c) In conducting an analysis under this section, the
19 analysis program may consult with the Legislative Budget Board or
20 other persons with relevant knowledge and expertise, including
21 independent actuaries.

22 Sec. 38.455. FUNDING OF ANALYSIS PROGRAM; FEE. (a) The
23 comptroller shall assess an annual fee on each health maintenance
24 organization and insurer offering health benefit plans subject to
25 Chapter 843 or 1301 in the amount necessary to implement this
26 subchapter.

27 (b) The comptroller shall, in consultation with the center:

1 (1) determine the amount of the fee assessed under
2 this section; and

3 (2) adjust the amount of the fee assessed under this
4 section for each state fiscal biennium to address any:

5 (A) estimated increase in costs to implement this
6 subchapter; or

7 (B) deficits incurred during the preceding year
8 as a result of implementing this subchapter.

9 (c) Not later than August 1 of each year, a health benefit
10 plan issuer shall pay the fee assessed under this section to the
11 comptroller. The legislature may appropriate money received under
12 this section only to the center to be used by the center to
13 administer the center's duties under this subchapter.

14 (d) The comptroller shall adopt rules to administer this
15 section.

16 Sec. 38.456. SPECIAL DATA CALL ON ADMINISTRATIVE EXPENSES.

17 (a) The commissioner shall issue a special data call for an
18 estimate of administrative expenses related to specific
19 legislation analyzed by the analysis program not later than:

20 (1) except as provided by Subdivision (2), the 30th
21 day after the date the commissioner receives a request from the
22 center; or

23 (2) if the commissioner receives a request from the
24 center during a regular legislative session, the 10th day after the
25 date the commissioner receives the request.

26 (b) The commissioner shall provide the special data call
27 issued under this section to health benefit plan issuers affected

1 by the legislation subject to the special data call under
2 Subsection (a), to the extent determined necessary by the
3 commissioner.

4 (c) A special data call issued under this section must be
5 organized in standardized fields and categories of information and
6 ensure that responses to the special data call enable a valid
7 comparison among health benefit plan issuers.

8 (d) A health benefit plan issuer to which the commissioner
9 provides a special data call under Subsection (b) shall submit a
10 response to the special data call in the form and manner prescribed
11 by the commissioner before the later of:

12 (1) the 10th day after the date the commissioner
13 issues the special data call; or

14 (2) a date determined by the center.

15 (e) A response to a special data call issued under this
16 section:

17 (1) must disclose the calculation methodology used by
18 the health benefit plan issuer to develop the response; and

19 (2) is not subject to disclosure under Chapter 552,
20 Government Code.

21 Sec. 38.457. REPORT. (a) Not later than the 60th day after
22 the date the analysis program receives a request under Section
23 38.453, or, if the analysis program receives a request under that
24 section during a regular legislative session, not later than the
25 30th day after the date the analysis program receives the request,
26 the center shall prepare a written report containing the results of
27 the analysis performed under Section 38.454 and:

1 (1) deliver the report to the lieutenant governor, the
2 speaker of the house of representatives, and the appropriate
3 committees in each house of the legislature; and

4 (2) make the report available on a generally
5 accessible Internet website.

6 (b) The report:

7 (1) may not disclose a health benefit plan issuer's
8 individual response to a special data call issued under Section
9 38.456; and

10 (2) must include:

11 (A) a copy of the special data call; and

12 (B) the aggregated responses to the special data
13 call in their entirety, which must:

14 (i) be organized by category and field in
15 the same manner as the special data call; and

16 (ii) include any calculation methodology
17 disclosed in a response to the special data call.

18 Sec. 38.458. CONFLICT OF INTEREST. (a) The center shall
19 ensure that employees of the center who are assigned to the analysis
20 program:

21 (1) are not simultaneously employed by a health
22 benefit plan issuer or administrator; and

23 (2) do not possess an ownership or other personal
24 interest in a health benefit plan issuer or administrator.

25 (b) The center may require an employee assigned to the
26 analysis program to file a conflict of interest statement and a
27 statement of ownership interests with the center to ensure

1 compliance with this section.

2 SECTION 2. (a) As soon as practicable after the effective
3 date of this Act, the Center for Health Care Data at The University
4 of Texas Health Science Center at Houston shall develop a cost
5 estimate of the amount necessary to fund the actual and necessary
6 expenses of implementing Subchapter J, Chapter 38, Insurance Code,
7 as added by this Act, for the first state fiscal biennium in which
8 the Health Impact, Cost, and Coverage Analysis Program will operate
9 under that subchapter.

10 (b) Not later than January 1, 2026, the Center for Health
11 Care Data at The University of Texas Health Science Center at
12 Houston shall establish the Health Impact, Cost, and Coverage
13 Analysis Program as required by Section 38.452, Insurance Code, as
14 added by this Act.

15 SECTION 3. Not later than January 1, 2026, the comptroller
16 of public accounts shall adopt rules as required by Section 38.455,
17 Insurance Code, as added by this Act.

18 SECTION 4. The Center for Health Care Data at The University
19 of Texas Health Science Center at Houston is required to implement a
20 provision of this Act only if the legislature appropriates money
21 specifically for that purpose. If the legislature does not
22 appropriate money for that purpose, the center may, but is not
23 required to, implement a provision of this Act using other money
24 available for that purpose.

25 SECTION 5. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

H.B. No. 138

1 Act does not receive the vote necessary for immediate effect, this
2 Act takes effect September 1, 2025.

ADOPTED

MAY 21 2025

Letsy Spaw
Secretary of the Senate

By: Paul Bellermont

H.B. No. 138

Substitute the following for H.B. No. 138:

By: ilby

C.S.H.B. No. 138

A BILL TO BE ENTITLED

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SUBCHAPTER J. HEALTH IMPACT, COST, AND COVERAGE ANALYSIS PROGRAM

Sec. 38.451. DEFINITIONS. In this subchapter:

(1) "Analysis program" means the Health Impact, Cost, and Coverage Analysis Program established under Section 38.452.

(2) "Center" means the Center for Health Care Data at The University of Texas Health Science Center at Houston.

(3) "Enrollee" means an individual who is enrolled in a health benefit plan, including a covered dependent.

(4) "Health benefit plan issuer" means an insurer, health maintenance organization, or other entity authorized to provide health benefits coverage under the laws of this state, including a Medicaid managed care organization. The term does not include an issuer of workers' compensation insurance.

(5) "Health benefits coverage" does not include workers' compensation.

(6) "Health care provider" means a physician, facility, or other person who is licensed, certified, registered, or otherwise authorized to provide a health care service in this

1 state.

2 (7) "Health care service" means a service, procedure,
3 drug, or device to diagnose, prevent, alleviate, cure, or heal a
4 human disease, injury, or unhealthy or abnormal physical or mental
5 condition, including a service, procedure, drug, or device related
6 to pregnancy or delivery.

7 (8) "Mandate" means a provision contained in a
8 legislative document that requires a health benefit plan issuer or
9 administrator, with respect to health benefits coverage, to:

10 (A) provide coverage for a health care service;

11 (B) increase or decrease payments to health care
12 providers for a health care service; or

13 (C) implement a new contractual or
14 administrative requirement.

15 Sec. 38.452. ESTABLISHMENT OF HEALTH IMPACT, COST, AND
16 COVERAGE ANALYSIS PROGRAM. The center shall establish the Health
17 Impact, Cost, and Coverage Analysis Program to prepare analyses of
18 legislative documents that would impose new mandates on health
19 benefit plan issuers or administrators in this state.

20 Sec. 38.453. REQUEST FOR ANALYSIS OF PROPOSED LEGISLATION.

21 (a) Regardless of whether the legislature is in session, the
22 lieutenant governor, the speaker of the house of representatives,
23 or the chair or vice chair of the appropriate committee in either
24 house of the legislature may submit a request to the analysis
25 program to prepare and develop an analysis of proposed legislation
26 that imposes a new mandate on health benefit plan issuers or
27 administrators in this state.

1 (b) A request may not be submitted under this section for an
2 analysis of legislation that has already been enacted.

3 (c) A request submitted under this section must include a
4 copy of the relevant legislative document.

5 Sec. 38.454. IMPACT ANALYSIS OF LEGISLATION ON HEALTH
6 COVERAGE COSTS. (a) Except as provided by Subsection (b), on
7 receiving a request under Section 38.453, the analysis program
8 shall, using data compiled by the statewide all payor claims
9 database established under Subchapter I and scientific or
10 peer-reviewed academic literature, conduct an analysis of, as
11 applicable, and prepare an estimate of, as applicable, the extent
12 to which:

13 (1) based on a review of scientific or peer-reviewed
14 academic literature, the legislation is expected to impact public
15 health in this state and the health of communities in this state,
16 including by reducing hospitalizations and instances of
17 communicable disease and by providing other benefits of prevention;

18 (2) the legislation is expected to increase or
19 decrease the total cost of health coverage in this state, including
20 the estimated dollar amount of that increase or decrease;

21 (3) the legislation is expected to increase the use of
22 any relevant health care service in this state;

23 (4) the legislation is expected to increase or
24 decrease administrative expenses of health benefit plan issuers or
25 administrators and expenses of enrollees, plan sponsors,
26 policyholders, and health care providers;

27 (5) the legislation is expected to increase or

1 decrease spending by all persons in the private sector, by public
2 sector entities, including state or local retirement systems and
3 political subdivisions, by employers or plan sponsors, and by
4 individuals purchasing individual health insurance or health
5 benefit plan coverage in this state;

6 (6) the legislation is expected to reduce instances of
7 premature death;

8 (7) health benefit plans offered or administered in
9 this state currently deny access to a relevant benefit or service;

10 (8) coverage for any relevant health care service is,
11 without the legislation, generally available or used, including an
12 analysis and identification of the plans in the group and
13 individual insurance markets in this state that, without the
14 legislation, already offer coverage for the relevant health care
15 service;

16 (9) any relevant health care service is supported by
17 existing medical and scientific evidence, including:

18 (A) the extent to which, based on a review of
19 scientific or peer-reviewed academic literature, the health care
20 service is recognized by the medical community as being effective
21 in the screening, diagnosis, treatment, or amelioration of a
22 condition or disease;

23 (B) determinations made by the United States Food
24 and Drug Administration;

25 (C) coverage determinations made by the Centers
26 for Medicare and Medicaid Services;

27 (D) determinations made by the United States

1 Preventive Services Task Force; and

2 (E) nationally recognized clinical practice
3 guidelines; and

4 (10) the legislation is expected to increase or
5 decrease the cost of any relevant benefit or health care service in
6 this state, including an estimate of the impact of the legislation
7 on anticipated costs or savings for:

8 (A) the short term by estimating costs or savings
9 for the first calendar year after the legislation takes effect; and

10 (B) the long term by estimating costs or savings
11 for at least the first two calendar years after the legislation
12 takes effect.

13 (b) If, in conducting an analysis under this section, the
14 analysis program determines that the analysis program is unable to
15 provide a reliable assessment of a factor described by Subsection
16 (a), the analysis program shall include in the analysis a statement
17 providing the basis for that determination.

18 (c) In conducting an analysis under this section, the
19 analysis program may consult with the Legislative Budget Board or
20 other persons with relevant knowledge and expertise, including
21 independent actuaries.

22 Sec. 38.455. FUNDING OF ANALYSIS PROGRAM; FEE. (a) Except
23 as provided by Subsection (b), the comptroller shall assess an
24 annual fee on each health benefit plan issuer subject to Chapter 843
25 or 1301 in the amount necessary to implement this subchapter.

26 (b) The comptroller may not assess a fee under this section:

27 (1) for a health benefit plan issued under Chapter

1 1551, 1575, 1579, or 1601; or

2 (2) on a health benefit plan issuer operating solely
3 as a Medicaid managed care organization.

4 (c) The comptroller shall, in consultation with the center:

5 (1) determine the amount of the fee assessed under
6 this section; and

7 (2) adjust the amount of the fee assessed under this
8 section for each state fiscal biennium to address any:

9 (A) estimated increase in costs to implement this
10 subchapter; or

11 (B) deficits incurred during the preceding year
12 as a result of implementing this subchapter.

13 (d) Not later than August 1 of each year, a health benefit
14 plan issuer shall pay the fee assessed under this section to the
15 comptroller. The legislature may appropriate money received under
16 this section only to the center to be used by the center to
17 administer the center's duties under this subchapter.

18 (e) The comptroller shall adopt rules to administer this
19 section.

20 Sec. 38.456. SPECIAL DATA CALL ON ADMINISTRATIVE EXPENSES.

21 (a) The commissioner shall issue a special data call for an
22 estimate of administrative expenses related to specific
23 legislation analyzed by the analysis program not later than:

24 (1) except as provided by Subdivision (2), the 30th
25 day after the date the commissioner receives a request from the
26 center; or

27 (2) if the commissioner receives a request from the

1 center during a regular legislative session, the 10th day after the
2 date the commissioner receives the request.

3 (b) The commissioner shall provide the special data call
4 issued under this section to health benefit plan issuers affected
5 by the legislation subject to the special data call under
6 Subsection (a), to the extent determined necessary by the
7 commissioner.

8 (c) A special data call issued under this section must be
9 organized in standardized fields and categories of information and
10 ensure that responses to the special data call enable a valid
11 comparison among health benefit plan issuers.

12 (d) A health benefit plan issuer to which the commissioner
13 provides a special data call under Subsection (b) shall submit a
14 response to the special data call in the form and manner prescribed
15 by the commissioner before the later of:

16 (1) the 10th day after the date the commissioner
17 issues the special data call; or

18 (2) a date determined by the center.

19 (e) A response to a special data call issued under this
20 section:

21 (1) must disclose the calculation methodology used by
22 the health benefit plan issuer to develop the response; and

23 (2) is not subject to disclosure under Chapter 552,
24 Government Code.

25 Sec. 38.457. REPORT. (a) Not later than the 60th day after
26 the date the analysis program receives a request under Section
27 38.453, or, if the analysis program receives a request under that

1 section during a regular legislative session, not later than the
2 30th day after the date the analysis program receives the request,
3 the center shall prepare a written report containing the results of
4 the analysis performed under Section 38.454 and:

5 (1) deliver the report to the lieutenant governor, the
6 speaker of the house of representatives, and the appropriate
7 committees in each house of the legislature; and

8 (2) make the report available on a generally
9 accessible Internet website.

10 (b) The report:

11 (1) may not disclose a health benefit plan issuer's
12 individual response to a special data call issued under Section
13 38.456; and

14 (2) must include:

15 (A) a copy of the special data call; and

16 (B) the aggregated responses to the special data
17 call in their entirety, which must:

18 (i) be organized by category and field in
19 the same manner as the special data call; and

20 (ii) include any calculation methodology
21 disclosed in a response to the special data call.

22 Sec. 38.458. CONFLICT OF INTEREST. (a) The center shall
23 ensure that employees of the center who are assigned to the analysis
24 program:

25 (1) are not simultaneously employed by a health
26 benefit plan issuer or administrator; and

27 (2) do not possess an ownership or other personal

1 interest in a health benefit plan issuer or administrator.

2 (b) The center may require an employee assigned to the
3 analysis program to file a conflict of interest statement and a
4 statement of ownership interests with the center to ensure
5 compliance with this section.

6 SECTION 2. (a) As soon as practicable after the effective
7 date of this Act, the Center for Health Care Data at The University
8 of Texas Health Science Center at Houston shall develop a cost
9 estimate of the amount necessary to fund the actual and necessary
10 expenses of implementing Subchapter J, Chapter 38, Insurance Code,
11 as added by this Act, for the first state fiscal biennium in which
12 the Health Impact, Cost, and Coverage Analysis Program will operate
13 under that subchapter.

14 (b) Not later than January 1, 2026, the Center for Health
15 Care Data at The University of Texas Health Science Center at
16 Houston shall establish the Health Impact, Cost, and Coverage
17 Analysis Program as required by Section 38.452, Insurance Code, as
18 added by this Act.

19 SECTION 3. Not later than January 1, 2026, the comptroller
20 of public accounts shall adopt rules as required by Section 38.455,
21 Insurance Code, as added by this Act.

22 SECTION 4. The Center for Health Care Data at The University
23 of Texas Health Science Center at Houston is required to implement a
24 provision of this Act only if the legislature appropriates money
25 specifically for that purpose. If the legislature does not
26 appropriate money for that purpose, the center may, but is not
27 required to, implement a provision of this Act using other money

1 available for that purpose.

2 SECTION 5. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2025.

ADOPTED

MAY 21 2025

Lately Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Pat Belton*

Amend C.S.H.B. No. 138 (senate committee printing) as follows:

(1) In SECTION 1 of the bill, strike added Section 38.455(c), Insurance Code (page 3, lines 23 through 31), and substitute the following:

(c) The comptroller shall:

(1) determine the amount of the fee assessed under this section, which must be:

(A) based on the estimate developed by the center under Subsection (f); and

(B) prorated based on the number of covered lives attributed to each health benefit plan issuer subject to an assessment under this section, as determined by the department under Subsection (g); and

(2) adjust the amount of the fee assessed under this section for each state fiscal biennium to address any:

(A) based on an estimate developed by the center under Subsection (f), increase in costs to implement this subchapter; or

(B) deficits incurred during the preceding year as a result of implementing this subchapter.

(2) In SECTION 1 of the bill, in added Section 38.455(e), Insurance Code (page 3, line 37), strike "shall" and substitute "may".

(3) In SECTION 1 of the bill, immediately after added Section

38.455(e), Insurance Code (page 3, between lines 38 and 39), insert the following:

(f) Not later than March 1 of each year, the center shall develop and submit to the comptroller an estimate of the amount necessary to fund the actual necessary expenses of implementing this subchapter for each fiscal biennium.

(g) Not later than March 1 of each year, the department shall submit to the comptroller a report on the number of covered lives attributed to each health benefit plan issuer subject to an assessment under this section for the preceding calendar year.

(h) Notwithstanding Subsection (d), a health benefit plan issuer shall pay a fee assessed by the comptroller under this section during the 2025 calendar year as soon as practicable after the date the comptroller assesses the fee. This subsection expires January 1, 2027.

(4) Strike SECTION 2(a) of the bill adding transition language (page 4, lines 35 through 42) and substitute the following:

(a) Notwithstanding Section 38.455(f), Insurance Code, as added by this Act, as soon as practicable after the effective date of this Act, the Center for Health Care Data at The University of Texas Health Science Center at Houston shall develop and submit to the comptroller of public accounts a cost estimate, as required by that section, for the first state fiscal biennium in which the Health Impact, Cost, and Coverage Analysis Program will operate under Subchapter J, Chapter 38, Insurance Code, as added by this Act.

(5) Strike SECTIONS 3 and 4 of the bill adding rulemaking and implementation language respectively (page 4, lines 48 through 57).

(6) Add the following appropriately numbered SECTION to the bill:

SECTION _____. Notwithstanding Section 38.455(g), Insurance Code, as added by this Act, as soon as practicable after the effective date of this Act, the Texas Department of Insurance shall submit a report of the calendar year 2024 covered lives to be used for the fee assessed for 2025 to the comptroller of public accounts, as required by that section.

(7) Renumber SECTIONS of the bill accordingly.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 22, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

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 Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB138, As Passed 2nd House: 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	(\$3,938,000)	\$3,938,000	6.0
2027	(\$2,057,000)	\$2,057,000	6.0
2028	(\$2,057,000)	\$2,057,000	6.0
2029	(\$2,150,000)	\$2,150,000	6.0
2030	(\$2,150,000)	\$2,150,000	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 providing preferred provider benefit plans but excludes the assessment of such a fee on certain state employee benefit plans and those issuers operating solely as a Medicaid managed health care organization. The fee amount will be based on the estimated cost of implementing the bill as determined by the Center and prorated based on the number of individuals covered by each health benefit plan issuer subject to the fee. The bill stipulates that the Comptroller will adjust the fee amount each biennium based on changes in the estimate developed by the Center and any deficits incurred in the preceding year operating the program.

The bill requires that the Center develop the required estimate by March 1 of each year and that the Texas Department of Insurance generate a report on the number of individuals covered by an insurer for the purposes of determining the fee amount.

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, accounting for any deficits faced in the preceding year. The Comptroller assumes that the Center's fiscal year 2026 costs would be assessed and collected in calendar year 2025 but after September 1, while fiscal year 2027 costs would be assessed and collected in fiscal year 2026, resulting in two assessments in fiscal year 2026. The assessment and collection of fees occurring twice in the same fiscal year is reflected in the amounts provided for fiscal year 2026 in the table above.

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

LBB Staff: JMc, NPe, LBO, BCa, NV, AAL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 16, 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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB138, Committee Report 2nd House, Substituted: 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>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	<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 providing preferred provider benefit plans in an amount necessary to cover the cost of implementing and operating the Program, but excludes the assessment of such a fee on certain state employee benefit plans and those issuers operating solely as a Medicaid managed health care organization. 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

LBB Staff: JMc, NPe, LBO, BCa, NV, AAL

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

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	<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

LBB Staff: JMc, NPe, LBO, BCa, NV, AAL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 30, 2025

TO: Honorable Jay Dean, Chair, House Committee on Insurance

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.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB138, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2027.

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

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	<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 certain health benefit plan issuers in an amount necessary to cover the cost of implementing and operating the Program, but excludes the assessment of such a fee on those issuers operating solely as a Medicaid managed health care organization or

certain employee benefit plans. 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 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

LBB Staff: JMc, AAL, LBO, BCa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 18, 2025

TO: Honorable Jay Dean, Chair, House Committee on Insurance

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 Introduced**

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

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

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	<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 benefit plan issuer that is not operating solely as a Medicaid managed care organization 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 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 Employee Retirement System of Texas and the Health and Human Services Commission have indicated there will be a fiscal impact to those agencies but that the amount cannot be determined since the amount of the fee that will be assessed to each agency is unknown.

Technology

No technology impact is anticipated.

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

LBB Staff: JMc, AAL, LBO, BCa

LEGISLATIVE BUDGET BOARD
Austin, Texas

TAX/FEE EQUITY NOTE

89TH LEGISLATIVE REGULAR SESSION

March 31, 2025

TO: Honorable Jay Dean, Chair, House Committee on Insurance

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.), **Committee Report 1st House, Substituted**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source

Agencies:

LBB Staff: JMc, KK

LEGISLATIVE BUDGET BOARD
Austin, Texas

TAX/FEE EQUITY NOTE

89TH LEGISLATIVE REGULAR SESSION

March 18, 2025

TO: Honorable Jay Dean, Chair, House Committee on Insurance

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 Introduced**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source

Agencies:

LBB Staff: JMc, SD, KK