

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 25, 2007

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1919 by Smith, Todd (Relating to health benefit plan coverage for treatment for certain brain injuries.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require health benefit plans to provide coverage for testing, treatment, rehabilitation, and reintegration services in response to an acquired brain injury.

Based on the analysis of the Employees Retirement System and Teacher Retirement System, it is assumed any costs associated with the bill would be insignificant because their health benefit plans currently provide coverage in compliance with the requirements of the bill.

Based on the analysis the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of \$25,600 in the General Revenue Dedicated Account Fund 36 in fiscal year 2008 because the bill would result in 256 filings, each accompanied by a \$100 filing fee. Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year. It is also assumed that any costs realized by TDI from implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2007, and would only apply to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2008.

Local Government Impact

Montgomery County and the cities of Austin, Houston, and Sherman reported that implementing the provisions of the bill would have a significantly negative impact on their budgets. Insurance rates would have to increase to cover the potential losses for the added coverage; however, the increases would be difficult to estimate because of the lack of specialized medical information available to these local entities and the inability to predict the

number of employees affected by the specified acquired brain injuries.

Dallas and Harris counties reported that the provisions of the bill would have no significant impact on their budgets.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454
Department of Insurance

LBB Staff: JOB, JRO, MW, SK, KJG