

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 6, 2009

TO: Honorable Lois W. Kolthorst, Chair, House Committee on Public Health

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

IN RE: HB1379 by Davis, Yvonne (Relating to the provision of HIV and AIDS tests and to health benefit plan coverage of HIV and AIDS tests.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1379, As Introduced: a negative impact of (\$9,505,679) through the biennium ending August 31, 2011.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$4,123,731)
2011	(\$5,381,948)
2012	(\$5,470,240)
2013	(\$5,559,789)
2014	(\$5,650,046)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>State Highway Fund</i> 6	Probable (Cost) from <i>Federal Funds</i> 555	Probable (Cost) from <i>GR Match For Medicaid</i> 758
2010	(\$4,123,731)	(\$150,664)	(\$147,935)	\$0
2011	(\$4,183,871)	(\$164,361)	(\$2,054,051)	(\$1,198,077)
2012	(\$4,244,011)	(\$178,057)	(\$2,112,596)	(\$1,226,229)
2013	(\$4,304,152)	(\$191,754)	(\$2,171,637)	(\$1,255,637)
2014	(\$4,364,292)	(\$205,451)	(\$2,231,762)	(\$1,285,754)

Fiscal Year	Probable (Cost) from <i>GR Dedicated Accounts</i> 994	Probable (Cost) from <i>RETIRED SCHOOL EMP GROUP INSURANCE</i> 989	Probable (Cost) from <i>Other Special State Funds</i> 998
2010	(\$27,401)	(\$3,100,000)	(\$2,987)
2011	(\$29,892)	(\$3,500,000)	(\$3,160)
2012	(\$32,383)	(\$3,500,000)	(\$3,424)
2013	(\$34,874)	(\$3,500,000)	(\$3,687)
2014	(\$37,365)	(\$3,500,000)	(\$3,951)

Fiscal Analysis

The bill would amend statute regarding certain health benefit coverage requirements for HIV and AIDS tests. The bill would require health care providers that take a blood sample as part of a routine medical screening to submit it for HIV diagnostic testing, unless the enrollee opts out. The testing would be required on or after January 1, 2010. Additionally, the bill would require the Health and Human Services Commission (HHSC) and the Texas Department of Insurance (TDI) to adopt rules to implement the provisions of the bill.

The bill would take effect September 1, 2009.

Methodology

Based on the actuarial analysis provided by the Employees Retirement System, the bill would result in additional tests at a cost of \$954,440 in state funds in fiscal year 2010 and \$1,080,479 in fiscal year 2011. Additionally, the higher cost would require higher contributions from all employers and the members. This analysis assumes that one third of patients would opt out of the HIV testing.

Based on the analysis by the Teacher Retirement System, the bill would result in an increase in claims for TRS-CARE by \$3,100,000 in fiscal year 2010 and \$3,500,000 in fiscal year 2011 and an increase for TRS-ActiveCare by in fiscal year 2010 and \$5,400,000 in fiscal year 2011. Because TRS-ActiveCare is funded solely by premiums, this would cause a premium increase of approximately \$25 per year per employee.

Based on the analysis by the HHSC, the bill would result in an increase in Medicaid and CHIP costs of \$3,090,745 in fiscal year 2011. No costs are assumed in fiscal year 2010. The agency has indicated that it can absorb the administrative costs for rule changes and any system enhancements necessary to implement the bill.

Based on the analysis provided by the Department of State Health Services (DSHS), the bill would impact routine testing at DSHS mental health services, substance abuse services, primary health services, and family planning. The bill would result in a cost to General Revenue of \$3,462,188 in each year of fiscal year 2010-11.

Based on the analysis of the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of \$30,400 in the General Revenue Dedicated Account Fund 36 in fiscal year 2010 because the bill would result in additional form filings. 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.

Based on analysis provided by the University of Texas System Administration and the Texas A&M University System, this bill would have no fiscal impact on these agencies because the HIV and AIDS tests are already included in both agency's health plans.

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, 537 State Health Services, Department of, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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