

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

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 2, 2003**

**TO:** Honorable Allan Ritter, Chair, House Committee on Pensions & Investments

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB88** by McClendon (Relating to coverage for certain prescriptions to stop smoking under the Texas Employees Group Benefits Act.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill requires the Employees Retirement System (ERS) Board of Trustees to provide a coverage plan that includes pharmaceutical prescriptions to help state employees stop smoking. ERS estimates smoking cessation drugs add between \$0.13 to \$0.23 cents per covered life per month. Assuming the current enrollment in the Uniform Group Insurance Program (UGIP) of 531,000 and an average cost of \$0.18 for smoking cessation drugs per covered life per month, the additional annual cost to the UGIP is an estimated \$1,147,000. However, the estimated additional cost to the UGIP is not anticipated to be significant enough to cause an increase in group insurance premiums.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JK, JO, RR, RT, ZS, RB, MS