

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 16, 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 by state employee insurance programs of pharmaceutical prescriptions to assist in stopping smoking.), **As Introduced**

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