

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION
Revision 1

April 4, 2003

TO: Honorable Bill Ratliff, Chair, Senate Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB41 by Zaffirini (Relating to health benefit plan coverage for immunizations.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB41, As Introduced: a negative impact of (\$514,507) through the biennium ending August 31, 2005.

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
2004	\$0
2005	(\$514,507)
2006	(\$514,507)
2007	(\$1,029,014)
2008	(\$1,029,014)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>GENERAL REVENUE DEDICATED ACCOUNTS 994</i>	Probable Savings/ (Cost) from <i>OTHER SPECIAL STATE FUNDS 998</i>	Probable Savings/ (Cost) from <i>FEDERAL FUNDS 555</i>
2004	\$0	\$0	\$0	\$0
2005	(\$514,507)	(\$39,763)	(\$3,077)	(\$182,349)
2006	(\$514,507)	(\$39,763)	(\$3,077)	(\$182,349)
2007	(\$1,029,014)	(\$79,526)	(\$6,154)	(\$364,698)
2008	(\$1,029,014)	(\$79,526)	(\$6,154)	(\$364,698)

Fiscal Year	Probable Savings/ (Cost) from <i>STATE HIGHWAY FUND 6</i>
2004	\$0
2005	(\$155,092)
2006	(\$155,092)
2007	(\$310,184)
2008	(\$310,184)

Fiscal Analysis

This bill, if enacted, would require Health Maintenance Organizations (HMOs) to provide coverage for a list of childhood immunizations as recommended by the Centers for Disease Control and Prevention. The immunization requirement would only apply to health plans on or after January 1, 2004.

According to the Employees Retirement System (ERS), adding new immunizations would have a fiscal impact on the HMOs in the Uniform Group Insurance Program (UGIP). At present, all health plans available through UGIP cover the list of mandated immunizations. ERS estimates that each new immunization added to the CDC list would result in an additional cost to UGIP of \$894,787. Due to the expected depletion of reserve funds in fiscal year 2003, this additional cost is expected to increase premium costs.

Methodology

ERS's estimate of the average cost per participant for each new immunization added to the CDC list is \$12.50. This estimate is based on current provider costs for immunizations and allergy shots. Assuming that all dependents from age 0-19 currently enrolled in the Health Select plan (around 71,600 participants) would be given these immunizations results in a total cost of \$894,797 for each new immunization added by the CDC.

For purposes of this analysis, the assumption is made that the CDC adds one new immunization to its' list in 2005 and a second immunization in 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 359 Office of Public Insurance Counsel, 454 Department of Insurance

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