

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 14, 2009

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: SB1345 by Watson (Relating to health benefit plan coverage for certain orally administered anticancer medications.), **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 orally administered anticancer medication used to kill or slow the growth of cancerous cells on a basis no less favorable than intravenously administered or injected cancer medications that are covered as medical benefits by the plan.

The bill would take effect September 1, 2009, and would apply to all health plans delivered or renewed on or after January 2, 2010.

Based on the analysis of the Employees Retirement System, Teachers Retirement System, the Texas A&M University System, and the University of Texas System Administration, ERS HealthSelect, TRS-Care, TRS-ActiveCare, Texas A&M University System health insurance, and UTSELECT health insurance currently provides this coverage. It is anticipated that there would be no significant fiscal impact from the implementation of this bill.

The Texas Department of Insurance (TDI) indicates that there would be a one-time revenue gain of \$18,800 in the General Revenue Dedicated Account Fund 36 in fiscal year 2010 because the bill would result in filings of amendments to reflect this change of law by insurers.

Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all general revenue 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.

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, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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