

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 20, 2009**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

**IN RE: SB2419** by Deuell (Relating to preventative treatment for state employees exposed to HIV while performing duties of employment.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB2419, As Introduced: an impact of \$0 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from Interagency Contracts 777</b>
2010	(\$610,600)
2011	(\$610,600)
2012	(\$610,600)
2013	(\$610,600)
2014	(\$610,600)

**Fiscal Analysis**

The bill would amend the Health and Safety Code to require, upon a state employee's request, that a state agency pay for preventative treatment of the human immunodeficiency virus (HIV). The cost of providing preventative treatment would be paid from funds appropriated for payment of worker's compensation benefits to state employees.

The state currently provides employees with testing and counseling for HIV exposures via the workers' compensation process. Also, post-exposure prophylactic (PEP) care, on a reimbursement basis, is available prior to determination of workers' compensation occupational disease compensability for public safety employees pursuant to Chapter 607, Government Code. The bill would extend a similar benefit to other state workers, but seeks to do so through the workers' compensation system.

If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

## **Methodology**

Utilizing the figures from the most recent full fiscal year, the State Office of Risk Management (SORM) assumes 86 employees would make a claim for possible HIV exposure each fiscal year. (Note: None of the reported exposures subsequently developed into HIV.)

Under the United States Public Health Service (USPHS) guidelines, three antiretroviral medications are currently being used to inhibit HIV infection after exposure. These three medications may be used individually or in any combination depending on the circumstances of the exposure and health of the source person and employee. The USPHS recommends a four week course of PEP treatment for all HIV exposed persons. Assuming that all 86 choose to undergo PEP and receive combined medications, the estimated cost of the PEP would be \$481,600 per fiscal year.

If fifty percent of the employees do not return to work during treatment, 43 employees would be eligible for temporary income indemnity benefits. The maximum rate for temporary income benefits is \$750 per week. Forty-three employees, receiving \$750 per week for four weeks results in a cost of \$129,000 in temporary indemnity benefits. This projection does not include costs associated with other indemnity benefits such as impairment, supplemental, lifetime or death.

SORM notes that workers' compensation carriers may be liable for all injuries sustained during treatment of a compensable injury, which would increase the cost to the State. The Centers for Disease Control (CDC) reports that 50% of individuals who choose to undergo PEP treatment suffer from serious side-effects and 33% choose to stop the treatment due to the side-effects. The CDC lists the side-effects of the antiretroviral treatment to be minor, as nausea or headache, to severe, as fulminant liver failure requiring transplantation or death. The cost to treat a minor side-effect such as anti-nausea medication would be relatively small; however, the cost of an organ transplant and lifetime anti-rejection medications or death benefits to surviving beneficiaries would be significant. Secondary injuries and side-effects of PEP cannot be calculated with data available at this time, but would be case-specific and variable over time in relation to exposures.

The other agencies contacted indicate that any costs associated with the bill could be absorbed within existing resources.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 454 Department of Insurance, 479 State Office of Risk Management, 529 Health and Human Services Commission, 537 State Health Services, Department of, 582 Commission on Environmental Quality, 696 Department of Criminal Justice

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