

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 7, 2011

TO: Honorable Vicki Truitt, Chair, House Committee on Pensions, Investments & Financial Services

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

IN RE: HB755 by Cook (Relating to eligibility of certain dependents for coverage under the state employee group benefits program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Insurance Code, Section 1551.004 to allow dependents who are over age 25, disabled, and currently covered under a health plan governed by Insurance Code, Chapters 1575 (Texas Public School Employees Group Benefits Program), 1579 (Texas School Employees Uniform Group Health Coverage), and 1601 (Uniform Insurance Benefits Act for Employees of the University of Texas System and the Texas A&M System) to be eligible to enroll as a dependent in the Employees Retirement System Group Benefits Program (GBP) if the parent becomes eligible and immediately enrolls the dependent in the GBP upon losing coverage.

Employees Retirement System (ERS) estimates that the legislation could result in up to 3 additional disabled dependents over age 25 moving to the GBP each year from the plans governed by Chapters 1575, 1579, and 1601. As of January 2011, the GBP covered approximately 539,000 total participants and 461 were disabled dependents over age 25. Due to the relatively small number of dependents estimated to be added, the legislation would not have a significant negative fiscal impact to the ERS insurance trust fund, and would not result in an increase in the state contribution rates to the Group Benefits Program.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: JOB, AG, MS, DEH