

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 21, 2011

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB423 by Lucio (Relating to health insurance coverage for eligible survivors of certain public servants killed in the line of duty.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code relating to health insurance coverage for eligible survivors of certain public servants and trainees killed in the line of duty. The bill would allow the eligible surviving spouse of a deceased individual who was employed by the state to be entitled to purchase or continue to purchase health insurance under Insurance Code, Chapter 1551 (Employees Retirement System Group Benefits Program). Likewise, the bill would allow an eligible surviving spouse of a deceased individual employed by a political subdivision of the state to purchase or continue to purchase health insurance benefits from the political subdivision that employed the deceased individual.

In addition, an eligible surviving dependent who is not a minor child is entitled to purchase or continue to purchase health insurance coverage until the earlier of: (a) the date the dependent becomes eligible for group health insurance through another employer; or (b) the date the dependent becomes eligible for federal Medicare benefits.

Finally, the bill also provides a limited opportunity for eligible survivors of an individual who died after September 1, 1993, to reapply for coverage if they declined coverage when they were first eligible or if they discontinued coverage at any time since they originally enrolled. An eligible survivor may apply for coverage not later than September 1, 2012.

Employees Retirement System (ERS) reports that there are 7 survivors from deaths since September 1, 1993, that would potentially qualify for coverage that have not elected coverage as of March 3, 2011. ERS estimates that there may be 1 trainee death every other year that would potentially lead to continued health coverage for survivors. Due to the relatively small number of survivors estimated to be added, the legislation would not have a significant negative fiscal impact on the ERS insurance 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, or immediately with two-thirds vote of all members.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: JOB, KJG, MS, DEH, AG