

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 2015

TO: Honorable Susan Lewis King, Chair, House Committee on Defense & Veterans' Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2123 by King, Phil (Relating to participation of the state military forces in the state group benefits program.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time due to the unavailability of data regarding the number of members of active military forces that would be called to active duty for longer than 60 days. Furthermore, data for the number of service members that already have insurance coverage and would not participate in the state group benefits program is not available.

The bill would amend the Government Code to provide the full state contribution for insurance coverage with the Employees Retirement System (ERS) Group Benefits Program for state military forces called to active duty that serve beyond 60 days. The bill would also require the cost of the state contribution to be reimbursed to the ERS Board of Trustees by the Texas Military Department (TMD), if the member elects to participate in the Group Benefits Program. ERS indicates that any costs associated with the bill could be absorbed within existing agency resources.

The bill would pertain only to long term missions. Currently, the only military mission longer than 60 days is the current Operation Strong Safety II mission, for which the National Guard has been deployed since June 2014. TMD estimated 725 service members as the average number of service members on mission longer than 60 days but this is based on only one mission. TMD has no information on the number of service members who would likely opt in for health insurance coverage. The impact to TMD cannot be determined as future mission length, number of service members deployed, and number of service members who would opt in for the health insurance cannot be determined.

Although the fiscal impact to TMD cannot be determined, the overall cost of the reimbursement would be based on the state portion of premium cost of insurance coverage for the HealthSelect program at ERS. According to ERS, the state cost of Plan Year 2015 Premium Rate for a full-time employee electing medical insurance coverage from HealthSelect of Texas is \$537.66 per month for employee only coverage, \$845.54 per month for employee and spouse coverage, \$743.80 per month for employee and child(ren) coverage, and \$1,051.68 per month for employee and family coverage.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 401 Military Department

LBB Staff: UP, FR, AI, EMO