

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1584 by Thompson, Senfronia (Relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated relating to prescription drug coverage for stage-four advanced, metastatic cancer. According to the Health and Human Services Commission (HHSC), the fiscal implications of the bill cannot be determined at this time relating to the uncertainty of prescription drug coverage for associated conditions of stage-four advanced, metastatic cancer.

The bill would amend the Insurance Code relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.

While additional costs to a health plan relating to prescription drug coverage for stage-four advanced, metastatic cancer and associated conditions may result in the need for higher contribution rates from the state or members, this analysis assumes that costs could be absorbed using existing resources at the Employees Retirement System.

According to HHSC, the fiscal implications of the bill as it applies to prescription drug coverage for associated conditions of stage-four advanced, metastatic cancer cannot be determined at this time due to the uncertainty of such coverage.

The Teacher Retirement System (TRS) assumes the provisions of the bill would increase costs for the TRS-Care and ActiveCare programs by \$250,000 and \$390,000 per fiscal year, respectively. Additional costs would not increase the statutorily required state contributions to TRS-Care and ActiveCare for the 2020-21 biennium; therefore, no significant fiscal impact to the General Revenue Fund is anticipated. However, the additional costs may result in the need for higher contribution rates from the State, employers, or members to the TRS-Care and ActiveCare programs.

Based on information provided by the Texas Department of Insurance, The University of Texas System Administration, and Texas A&M University System Administration, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission, 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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