

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 20, 2019**

**TO:** Honorable Eddie Lucio III, Chair, House Committee on Insurance

**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.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated relating to prescription drug coverage for stage-four advanced, metastatic cancer. However, 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 both stage-four advanced, metastatic cancer and associated conditions of stage-four advanced metastatic cancer.

While additional costs to a health plan relating to prescription drug coverage for stage-four advanced, metastatic cancer 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. However, according to the Employees Retirement System and Health and Human Services Commission, the fiscal implications of that 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, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

**LBB Staff:** WP, CMa, CP, KFB, ASa