

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 1, 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.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer. Based on information provided by the Texas Department of Insurance, The University of Texas System Administration, Texas A&M University System Administration, and Health and Human Services Commission, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

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.

While additional costs to a health plan 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.

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

Additional costs to the TRS-Care and ActiveCare programs may result in the need for higher contribution rates from the state, public education employers, or members.

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

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