

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 22, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1525 by Menéndez (Relating to prior authorization for prescription drug benefits related to the treatment of chronic health conditions.), **As Introduced**

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| No significant fiscal implication to the State is anticipated. |
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The bill would amend the Insurance Code to state that certain health benefit plan issuers may not require an enrollee to receive more than one prior authorization annually of the prescription drug benefit for a prescription drug prescribed to treat a chronic health condition. The bill would apply to health plans delivered, issued for delivery, or renewed on or after January 1, 2026.

The Employees Retirement System of Texas assumes there would be some costs associated with implementing the provisions of the bill. The costs of \$377,272 in General Revenue in fiscal year 2027 would result from prior authorization less than a year that would not otherwise have been approved upon renewal.

This analysis assumes that the following agencies can absorb the costs associated with the implementation of this bill: Teacher Retirement System, Department of Insurance, Health and Human Services Commission, Texas A&M University System Administration, University of Texas System Administration.

Local Government Impact

No significant 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

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