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## FISCAL IMPACT REPORT

**SPONSOR** Gonzales/Figueroa      **ORIGINAL DATE** 1/25/21  
**LAST UPDATED** 2/5/21      **HB** \_\_\_\_\_  
**SHORT TITLE** Retiree Health Care Act      **SB** 21/aSHPAC  
**ANALYST** Jorgensen

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>				No Fiscal Impact		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Retiree Health Care Authority (RHCA)

### SUMMARY

#### Synopsis of SHPAC Amendment

The Senate Health and Public Affairs Committee (SHPAC) strikes language stating the Retiree Health Care Authority shall be administratively attached to the Public School Insurance Authority until December 31, 1993. The amendment also strikes language directing RHCA to administer the senior prescription drug program. The original bill repealed reference to this program because it was discontinued in FY11.

#### Synopsis of Original Bill

Senate Bill 21 (SB21), endorsed by the Interim Investments and Pensions Oversight Committee (IPOC) amends the Retiree Health Care Act as follows:

1. Moves the limiting age of a dependent child from 19 to 26 and eliminates certain requirements associated with marriage and full-time student status at an accredited educational institution. This change was implemented in 2010 as required by the Patient Protection and Affordable Care Act, which applies to all plans (individual and market).
2. Changes reference from “mental retardation” to “intellectual disability” for disabled dependents over the age of 26 who are wholly dependent on the eligible retiree for maintenance and support and are incapable of self-sustaining employment.

3. Repeals Sections 10-7C-17 through 10-7C-19 eliminating reference and the requirements associated with the “Discount Prescription Drug Program.”

### **FISCAL IMPLICATIONS**

SB21 changes language to conform with the federal Patient Protection and Affordable Care Act of 2010. SB21 does not have a fiscal impact, as the program is already being administered in accordance with federal statute.

The Discount Prescription Drug Program was discontinued in FY11 after the creation of Medicare Part D programs which obviated the program. The language in SB21 matches statutory language to current RHCA practice.

### **TECHNICAL ISSUES**

The RHCA notes:

The bill will need to be amended to delete reference to subsection B of Section 10-7C-5. Authority Created – “The authority shall also administer the senior prescription drug program in conjunction with or through the consolidated purchasing process pursuant to the Health Care Purchasing Act.

CJ/sb/rl/al