### Fiscal Note

**Agency Submitting:** Public Employees' Benefits Program  
**Date Prepared:** February 25, 2009  

<table>
<thead>
<tr>
<th>Items of Revenue or Expense, or Both</th>
<th>Fiscal Year 2008-09</th>
<th>Fiscal Year 2009-10</th>
<th>Fiscal Year 2010-11</th>
<th>Effect on Future Biennia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Expense (Expense)</td>
<td>$1,729,327</td>
<td>$1,884,966</td>
<td>$3,614,293</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>$1,729,327</td>
<td>$1,884,966</td>
<td>$3,614,293</td>
</tr>
</tbody>
</table>

**Explanation**  
(Use Additional Sheets of Attachments, if required)  
Based on actuarial analysis, the expanded benefits required to be covered by BDR 57-44 may cost PEBP up to 1% of claims costs. Based on FY08 claims expenses of $143.6 M and medical inflation of 10.0% in FY09, 9.5% in FY10 and 9.0% in FY11, the cost to the biennium is $3.6 M.

**Department of Administration's Comments**  
Agency response appears reasonable.

**Name:** Lesle Johnstone  
**Title:** Executive Officer  

**Date:** Tuesday, February 24, 2009  
**Name:** Andrew K. Clinger  
**Title:** Director