

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 8, 2021

Agency Submitting: Public Employees' Benefits Program

Items of Revenue or Expense, or Both	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Effect on Future Biennia
Medical Claims (Expense)	\$252,986	\$500,000	\$500,000	\$1,000,000
Total	\$252,986	\$500,000	\$500,000	\$1,000,000

Explanation

(Use Additional Sheets of Attachments, if required)

The Public Employees' Benefits Program (PEBP) has reviewed this bill and believes there is a fiscal impact. This bill would require medically necessary services/procedures relating to gender dysphoria, gender incongruence, etc. While PEBP currently provides coverage for certain medically necessary services identified in the bill, there are some noticeable gaps in coverage including providing coverage for those under 18.

PEBP's Actuary and TPA reviewed the potential gaps in coverage to estimate an annual fiscal impact as well as current costs associated with gender dysphoria codes. The actuaries estimated costs by taking into account the number of unique claimants that are receiving benefits for these types of services (with only 2 claimants undergoing the full surgical transition) and took into consideration the potential added costs currently not covered under the PEBP plan as well as the potential added claimants under 18 years of age who are currently excluded. Currently voice therapy/voice lessons are not covered for any age for gender dysphoria. Breast removal is currently covered for members with gender dysphoria at age 18 and older. However, this bill would require PEBP to cover breast removal for gender dysphoria members under age 18 if they meet the require criteria. These gaps are estimated to have an annual cost of up to \$500,000 to meet the requirements in this bill. Additionally, as the effective date of this bill is July 1, 2021, PEBP will already have established rates and employer subsidies on March 25, 2021. PEBP may be underfunded by the estimated \$500,000 the first year with no mechanism to offset the additional unexpected costs.

Name Laura Rich

Title Executive Officer

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Wednesday, March 03, 2021

Name Heather Field

Title Executive Branch Budget Officer