

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6182**

**BILL NUMBER: SB 21**

**NOTE PREPARED:** Nov 17, 2011

**BILL AMENDED:**

**SUBJECT:** Coverage for Smoking Cessation Drugs.

**FIRST AUTHOR:** Sen. Lanane

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** This bill requires a state employee health benefit plan, a policy of accident and sickness insurance, and a health maintenance organization contract that provides coverage for prescription drugs to provide coverage for smoking cessation drugs.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** According to the State Personnel Department, the health insurance plans offered to state employees cover prescription smoking cessation medications, but subject to the member's copay specified in their health plan. In compliance with federal healthcare reform, as of January of 2011, these benefits were expanded to allow over-the-counter smoking cessation products in addition to prescription products. All smoking cessation products (both over-the-counter and prescription) will be available to members for 180 days of treatment.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Local government groups enrolled in the Local Unit Government Employees (LUG) health plans are not expected to experience increased costs as smoking cessation drugs will be provided in their current plans.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** Local governments and school corporations.

**Information Sources:** Christy Tittle, Benefits Director, Department of Personnel, 317-232-3241.

**Fiscal Analyst:** Bill Brumbach, 232-9559.