

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

February 20, 2003

TO: Honorable Jaime Capelo, Chair, House Committee on Public Health

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB6 by Allen (Relating to the regulation and enforcement of the practice of medicine by the Texas State Board of Medical Examiners.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB6, Committee Report 1st House, Substituted: a positive impact of \$12,268,000 through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2004 | \$16,689,000 |
| 2005 | (\$4,421,000) |
| 2006 | \$7,395,000 |
| 2007 | (\$4,421,000) |
| 2008 | \$7,395,000 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/(Loss) from <i>New General Revenue Dedicated</i> | Probable Savings/ (Cost) from <i>New General Revenue Dedicated</i> | Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND 1</i> | Probable Revenue Gain/(Loss) from <i>FOUNDATION SCHOOL FUND 193</i> |
|-------------|--|--|---|---|
| 2004 | \$940,845 | (\$1,989,420) | \$10,867,000 | \$5,822,000 |
| 2005 | \$940,845 | (\$1,989,420) | (\$6,662,000) | \$2,241,000 |
| 2006 | \$940,845 | (\$1,989,420) | \$3,364,000 | \$4,031,000 |
| 2007 | \$940,845 | (\$1,989,420) | (\$6,662,000) | \$2,241,000 |
| 2008 | \$940,845 | (\$1,989,420) | \$3,364,000 | \$4,031,000 |

Fiscal Analysis

The bill would require the Board of Medical Examiners to incorporate an expert physician panel into its enforcement process in order to enhance the agency's complaint and investigations process concerning medical competency.

The bill would amend the Occupations Code to create a \$30 surcharge for physician registration permits. Revenue from the surcharge would be deposited into a new General Revenue Dedicated Public Assurance account and could be used only for enforcement, including an expert physician panel.

The bill would double the surcharge for the first registration permit and renewal of a registration permit to \$400 from \$200. The fee would apply to annual permits between September 1, 2003 and December 31, 2003, and to all biennial permits beginning January 1, 2004.

Methodology

An estimated \$940,845 would be deposited into the new General Revenue Dedicated Public Assistance account based on a \$30 surcharge for 4,507 new physicians plus \$15 surcharge for 53,709 physician license renewals per year.

The Board of Medical Examiners estimates it would incur a total cost of \$1,989,420 to support the panel. The estimate is based on a 3-member expert physician panel and includes postage, copying, and distribution of appropriate documents related to disciplinary investigations/actions.

The estimate is based on \$100 professional fees per hour for a 3-member expert physician panel. The agency indicated each physician on the panel would spend an estimated 6 hours reviewing 1000 cases per year for \$600,000 per physician per year.

The bill would double the surcharge for the first registration permit and renewal of a registration permit to \$400 from \$200. The fee would apply to annual permits between September 1, 2003 and December 31, 2003, and to all biennial permits beginning January 1, 2004. The surcharge for first registration permits and renewals of registration permits would be divided between GR Account 0193 (\$100) and Fund 0001 (\$300).

Note: The legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993 and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Board Of Medical Examiners, 304 Comptroller Of Public Accounts

LBB Staff: JK, EB, JW