

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 21, 2003**

**TO:** Honorable Kenny Marchant, Chair, House Committee on State Affairs

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB2777** by Hughes (Relating to pathology reports on abortions; providing a penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2777, As Introduced: a negative impact of (\$258,128) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend the Health and Safety Code, Chapter 170, to require that abortion facilities submit pathology reports to the Texas Department of Health (TDH) for each abortion performed. Abortion facilities may also include, hospitals and ambulatory surgery centers licensed by TDH. Rules would have to be implemented and cross coordination of functions, such as lab tests and reporting mechanisms for physicians not credentialed as pathologists, would have to be developed.

The bill would take effect September 1, 2003.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$125,644)
2005	(\$132,484)
2006	(\$132,484)
2007	(\$132,484)
2008	(\$132,484)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$125,644)	1.3
2005	(\$132,484)	1.3
2006	(\$132,484)	1.3
2007	(\$132,484)	1.3
2008	(\$132,484)	1.3

**Fiscal Analysis**

The bill would amend the Health and Safety Code, Chapter 170, to require abortion facilities, including hospitals and ambulatory surgery centers, licensed by TDH, to provide pathology reports for each abortion performed. An indirect result of the bill is that the Board of Medical Examiners (BME)

would have to amend BME rules to include the abortion pathology-reporting requirement for physicians. TDH would have to coordinate lab tests and reporting mechanisms for physicians who are not credentialed as pathologists. Statistical data reported to TDH for 1999 through 2001 shows an average of 79,057 abortion procedures per year. TDH would have to add 1.3 full time employees (FTE) to perform additional functions associated with the pathology reporting requirement. Additional staff functions include developing reporting guidelines, report collection and evaluation, enforcement, interagency coordination and other administrative functions.

### **Methodology**

For purposes of this analysis, it is assumed that agency costs associated with establishing rules, interagency coordination, evaluation compliance, compliance enforcement, distribution, mailing, processing reports and data management would require additional General Revenue.

It is assumed that new rules would have to be established and implemented by TDH to establish the abortion pathology-reporting requirement for abortion facilities.

It is assumed that the BME would have to amend existing rules implementing a requirement that physicians who perform abortions submit pathology reports to TDH, for each abortion performed.

It is assumed that TDH will have to set up alternate reporting mechanisms with pathology labs for physicians who are not credentialed as pathologists.

Therefore, it is assumed that collection, evaluation, and administrative costs for processing approximately 79,057 abortion pathology reports per year will require TDH to add 1.3 FTEs to perform duties associated with the new reporting requirement. Additional interagency coordination with federal and state agencies will also be required. Costs for informational materials, distribution and mailing costs, and new computers are also assumed.

### **Technology**

Two personal computers at \$1,300 each. Total cost would be \$2,600.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 501 Department of Health

**LBB Staff:** JK, RR, KF, GD