

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 21, 2003

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB104 by Nelson (Relating to the regulation and enforcement of the practice of medicine by the Texas State Board of Medical Examiners.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for SB104, Conference Committee Report: a positive impact of \$8,133,840 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.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$8,133,840
2006	\$10,349,460
2007	\$10,349,460
2008	\$10,349,460

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from FOUNDATION SCHOOL FUND 193	Probable Revenue Gain/(Loss) from New General Revenue Dedicated	Probable Savings/ (Cost) from New General Revenue Dedicated
2004	\$0	\$0	\$3,492,880	(\$1,989,420)
2005	\$6,901,440	\$1,232,400	\$3,046,000	(\$1,989,420)
2006	\$8,781,360	\$1,568,100	\$2,508,690	(\$1,989,420)
2007	\$8,781,360	\$1,568,100	\$2,508,960	(\$1,989,420)
2008	\$8,781,360	\$1,568,100	\$2,508,960	(\$1,989,420)

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 an \$80 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 (\$300 to the credit of the general revenue and \$100 to the credit of the foundation school program).

Methodology

It is assumed that an estimated \$3,492,890 would be deposited into the new General Revenue Dedicated Public Assistance account in fiscal year 2004 based on an \$80 surcharge for 3,380 new physicians and 40,281 physician license renewals per year (these numbers are based on three quarters because the \$80 fee does not begin until the second quarter of fiscal year 2004).

It is assumed that an estimated \$3,046,000 would be deposited into the new General Revenue Dedicated Public Assistance account in fiscal year 2005 based on an \$80 surcharge for 4,507 new physicians and 33,568 physician license renewals.

The revenue would decrease to \$2,508,960 in fiscal years 2006-08 based on 26,855 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. This estimate is based on a 3-member expert physician panel and includes postage, copying, and distribution of appropriate documents related to disciplinary investigations/actions and on a \$100 professional fee per hour for a 3-member expert physician panel. The agency indicated each physician on the panel would spend an estimated 6 hours reviewing 1,000 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; however, the agency has indicated it would start applying the fee to all biennial permits beginning January 1, 2005. The surcharge for first registration permits and renewals of registration permits would be divided between Foundation School Fund 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: 304 Comptroller of Public Accounts, 503 Board of Medical Examiners

LBB Staff: JK, JO, RT, JW, EB