

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 22, 2005

TO: Honorable Norma Chavez, Chair, House Committee on Border and International Affairs

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB486 by Chavez (Relating to the transmission of certain health information to a site outside the United States; creating an offense.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill relates to the transmission of certain health information to a site outside the United States and creates an offense. The bill would add a new chapter to the Health and Safety Code. Section 182.004 that would require a health care business to obtain a written consent from an individual prior to sending the individual's identifiable health information outside the United States. Section 182.005 would require a health care business to publish a newspaper notice in the county where the greatest number of individuals served by the health care business is located. The bill would require the notice to include certain information prescribed in the bill. Section 182.006 would create a Class C misdemeanor offense. If enacted, the bill would take effect September 1, 2006.

There would be no cost to General Revenue Funds; however, there would be a cost from other designated funds, more specifically from institutional funds (i.e, physician charges to patients) associated with the bill for eight (8) FTEs to collect and maintain the consent paper work for patients in addition to cost associated with the required public notices. The estimated cost would be \$497,087 in each year of the biennium (\$310,032 to support eight FTEs and \$187,055 for other operating expenses and benefits.)

The Department of State Health Services (DSHS) indicates the agency would be defined as a health care business under the provisions of the bill. The agency indicates that certain programs that collect individual identifiable health information were identified but the programs could not provide accurate estimates of costs for obtaining the necessary consents from individuals. Under the bill's provisions, DSHS would also be required to publish notice in a newspaper in Harris County because it is the county with the greatest number of individuals served by the agency. It is assumed that any costs incurred by DSHS in implementing the provisions of the bill would be absorbed within the agency's existing resources.

Local Government Impact

Locally owned health care businesses that do not have contracts in which individual identifiable health information is transmitted to a site outside the U.S. would have no costs associated with the provisions of the bill. Businesses that do have contracts would have costs associated with disclosing the transfers of the information to consumers and obtaining permission to transmit information. Businesses with larger numbers of consumers would have higher costs. Costs to local law enforcement to implement the provisions of the bill would depend upon the number of violators, which would then determine the number of offenders to arrest, prosecute, and fine.

Source Agencies: 454 Department of Insurance, 529 Health and Human Services Commission, 537 Department of State Health Services, 720 The University of Texas System Administration, 739 Texas Tech University Health Sciences Center

LBB Staff: JOB, CL, RT, MM, KJG, RM