

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 4, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

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

IN RE: HB734 by Davis, Yvonne (Relating to infection rates at health-care facilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB734, As Introduced: a negative impact of (\$1,378,241) through the biennium ending August 31, 2007.

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
2006	(\$818,534)
2007	(\$559,707)
2008	(\$559,707)
2009	(\$559,707)
2010	(\$559,707)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$818,534)	6.0
2007	(\$559,707)	6.0
2008	(\$559,707)	6.0
2009	(\$559,707)	6.0
2010	(\$559,707)	6.0

Fiscal Analysis

The bill relates to infection rates at health-care facilities. The bill adds a new chapter to the Health and Safety Code. Under Section 1 of the bill, Section 96.002 would require each health-care facility to report the health-care associated infection rate for that facility to the Department of State Health Services (DSHS). Section 96.003 would require DSHS to prepare an annual information report on health-care associated infection rates in health-care facilities in Texas for distribution to the public. Section 96.005 would require DSHS to publish health-care associated infection rate information for all health-care facilities in Texas on the agency's Internet website.

Section 2 of the bill would require the Executive Commissioner of the Health and Human Services Commission to adopt rules and to require submission of the initial reports not later than May 1, 2006.

The bill would take effect immediately if a two-thirds majority vote is received in each house of the Legislature. Otherwise, the bill would take effect September 1, 2005, if enacted.

Methodology

DSHS assumes that six full-time equivalent positions (FTEs) would be needed to implement the provisions of the bill. The six FTEs would include one program specialist, two public health technicians, and three epidemiologists. It is also assumed that the costs associated with the FTEs in FY 2006 would be 75% of the total cost allowing for three months to fill the position. The estimated cost of implementing the provisions of the bill would total \$818,534 in FY 2006. The estimated costs include \$238,004 for salary and fringe benefits, \$9,900 for travel, \$13,640 for rent and utilities. Other operating expenses would total \$38,072 including \$31,860 for office furnishings, \$1,373 for telephone service, and \$4,839 for office supplies and postage. The estimated IT costs would total \$8,918, including \$5,418 for six leased personal computers and \$3,500 for printer.

In FY 2007-2010, the estimated cost of implementing the provisions of the bill would total \$559,707 each year. The estimate costs includes \$317,339 for salary and benefits, \$13,200 for travel, and \$18,186 for rent and utilities. Other operating expenses would total \$7,082 for telephone service, and office supplies and postage. The estimated IT-related costs would total \$3,900 for leased personal computers.

DSHS assumes that a web-based computer application would be developed to allow health-care facilities to remotely enter their infection rate data. The agency assumes that the development would be contracted out. The estimated development cost would total \$430,000 in FY 2006 for 4,300 contracted hours at \$100 per hour. Related hardware and software costs would total \$80,000 in FY 2006. In FY 2007-2010, the estimate cost for on-going support and enhancements for the computer application would total \$200,000 (2,000 hours at \$100 per hour) in each subsequent year.

Not including the estimated costs mentioned above, it is assumed that any additional costs DSHS would incur to implement the provisions of the bill would be absorbed within the agency's existing resources.

It is assumed that any additional costs HHSC would incur to implement the provisions of the bill would be absorbed within the agency's existing resources.

Technology

Estimated IT-related Costs: \$430,000 in FY 2006 and \$200,000 related to contract for web-based computer application; \$80,000 in FY 2006 for IT hardware and software for web-based computer application; \$8,918 in FY 2006 and \$3,900 in FY 2007-2010 for leased personal computers and printers.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 537 Department of State Health Services

LBB Staff: JOB, CL, KF, RM