

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 25, 2005**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

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

**IN RE: HB916** by Woolley (Relating to creating the Texas Health Care Policy Council. ), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB916, As Passed 2nd House: a negative impact of (\$500,588) 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:**

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|---|
| 2006               | (\$252,544)   |
| 2007               | (\$248,044)   |
| 2008               | (\$248,044)   |
| 2009               | (\$248,044)   |
| 2010               | (\$248,044)   |

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

| <b>Fiscal Year</b> | <b>Probable (Cost) from<br/>GENERAL REVENUE FUND<br/>1</b> | <b>Change in Number of State Employees<br/>from FY 2005</b> |
|--------------------|--|---|
| 2006               | (\$252,544)  | 3.0   |
| 2007               | (\$248,044)  | 3.0   |
| 2008               | (\$248,044)  | 3.0   |
| 2009               | (\$248,044)  | 3.0   |
| 2010               | (\$248,044)  | 3.0   |

**Fiscal Analysis**

The bill establishes the Governor's Health Care Coordinating Council (council) in the Office of the Governor. The bill requires the council to identify and study problems in the health care system and identify possible solutions for the state or other participants in the system. The bill authorizes the council to form advisory committees to accomplish the council's purpose. The bill establishes the Texas Health Workforce Planning Partnership (partnership) as a standing committee of the council.

The bill requires the council to submit a report of its findings and recommendations to the governor, lieutenant governor, and speaker of the house of representatives not later than December 31 of each even-numbered year.

The bill also requires the council to facilitate and promote the use of technology in the health care

system, research and promote initiatives relating to patient safety, and establish a clearinghouse of information to assist communities in assessing the needs of local health care systems. The bill requires the partnership to monitor the health care workforce needs of the state, implement appropriate health care workforce planning activities, and research ways to increase funding for health care.

The bill requires the council to hire an executive director and authorizes the director to hire staff. The bill requires the director to prepare a personnel policy statement. The bill requires each state agency on the council to provide funds to support the council, and that the council develop a funding formula to determine each state agency's level of support.

The bill authorizes the council to contract with public or private entities to perform its research and reporting activities.

The bill requires the Statewide Health Coordinating Council at the Department of State Health Services, in conjunction with Area Health Education Centers (AHECs) to examine diverse medically underserved communities of the state. Four of the communities would be located in a county with a population of 50,000 or less. One of the communities would be located in an urban county.

### **Methodology**

The bill requires the council to hire an executive director and authorizes the director to hire staff. This would result in an increase of three FTEs (Program Director I, Program Specialist II, and an Administrative Assistant III) to identify, research and conduct studies on problems related to the health care system. Combined salaries for these three FTEs would be \$160,000 per fiscal year. Travel expenditures associated with the council meetings and staff travel are estimated at \$32,000 per fiscal year and other operating expenses are estimated at \$8,460 per fiscal year. For fiscal year 2006 and fiscal year 2009, a \$4,500 cost is anticipated for three personal computers.

The bill authorizes the council to contract with public or private entities to perform its research and reporting activities. This could result in additional costs of \$50,000 to \$200,000 per fiscal year for professional fees and services. It assumed that agencies would provide funds for these professional fees and services.

The bill requires each state agency on the council to provide funds to support the council, and that the council develop a funding formula to determine each state agency's level of support. Agencies may be required to shift appropriations from other programs and reduce services in those areas in order to meet the requirements of the bill's provisions.

The Department of State Health Services indicates that any costs associated with the study of diverse medically underserved communities of the state could be absorbed within the agency's existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 320 Texas Workforce Commission, 323 Teacher Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 537 Department of State Health Services, 539 Department of Aging and Disability Services, 781 Higher Education Coordinating Board

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