

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 9, 2005

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

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

IN RE: HB952 by Delisi (Relating to a pilot program to provide health services to state employees in state office complexes.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB952, As Engrossed: a negative impact of (\$169,219) 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	(\$98,691)
2007	(\$70,528)
2008	(\$70,528)
2009	(\$70,528)
2010	(\$70,528)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2006	(\$98,691)
2007	(\$70,528)
2008	(\$70,528)
2009	(\$70,528)
2010	(\$70,528)

Fiscal Year	Change in Number of State Employees from FY 2005
2006	1.0
2007	1.0
2008	1.0
2009	1.0
2010	1.0

Fiscal Analysis

The bill amends Government Code Chapter 671 by adding Section 671.001 that requires the

Employees Retirement System to develop and implement a pilot program to hire a licensed advanced practice nurse, who is either a state employee or whose services are contracted by the state, to provide on-site health services to state employees. The pilot begins 90 days after rules are adopted by the ERS board of trustees. The pilot site would be at the Texas Commission on Environmental Quality headquarters. A licensed physician, who is either a state employee or whose services are contracted by the state, will provide oversight of the nurse practitioner.

The bill would require the provision of appropriate office space, equipment, and professional liability insurance. The Employee Retirement System will issue a report that includes a summary of employee participation rates, costs and benefits analysis, and legislative recommendations concerning the pilot program. The report will be sent to the governor, lieutenant governor, speaker, and appropriate standing committees of the senate and house no later than December 31, 2006,

Methodology

1. It is assumed that the board of trustees for the Employees Retirement System will develop rules to implement the bill and issue a report no later than December 31, 2006.
2. It is assumed that one new FTE, an advanced nurse practitioner, who is a state employee or whose services are acquired by contract, would be hired at a cost of \$35,865 in 2006, allowing for a phase-in of the program, and with a cost of \$47,820 in subsequent years. If employed by the state, employee benefit costs are assumed to be 29.74 percent of the annual salary.
3. It is assumed that physician oversight of the nurse practitioner will be performed by an employee of the state or whose services are contracted by the state.
4. Start-up costs are assumed to include the following: \$3,105 in the first year for furniture; \$12,000 in the first year for medical equipment such as a defibrillator, sphygmomanometer, otoscope, cardiac arrest cart, etc.; \$3,500 in each year for consumable medical supplies and on-site medications such as antibiotics, non-prescription pain medication, albuterol, etc.; \$4,403 in the first year for computer hardware with annual costs of \$650 for each subsequent year; and \$229 in the first year for phone services with annual costs of \$305 in each subsequent year.
5. It is assumed that liability insurance premiums will be \$1,000 in each year.
6. It is assumed that it will cost \$25,650 in the first year to build-out and construct the clinic area within the state office complex. This includes a patient waiting area, office space, exam room, handwashing sink, restroom, and secure storage area for medications and medical records. It is estimated that the build-out will cost \$45 per square foot for 570 square feet of existing office space.
7. It is assumed that the ERS will continue the project at the TCEQ site after the first year or expand coverage to more state office complexes if the program has proven beneficial in meeting health care needs of state employees; and the pilot is economically beneficial.

Technology

The estimated costs for technology includes \$4,403 in the first year for computer hardware, with annual costs of \$650 in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 582 Commission on Environmental Quality

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