

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 27, 2005

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

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

IN RE: HB2480 by Hupp (Relating to certain unprofessional conduct by a health care provider; providing an administrative penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2480, As Introduced: a negative impact of (\$883,860) 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	(\$469,981)
2007	(\$413,879)
2008	(\$324,904)
2009	(\$235,929)
2010	(\$235,929)

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	(\$469,981)	1.5
2007	(\$413,879)	2.0
2008	(\$324,904)	2.0
2009	(\$235,929)	2.0
2010	(\$235,929)	2.0

Fiscal Analysis

The bill would amend the Occupations Code, Section 105.001, to expand the definition of health care provider to include a hospital licensed under the Health and Safety Code. The bill would amend unprofessional conduct for a health care provider, as defined in the Occupations Code Section 105.002, to include knowingly collecting or attempting to collect amounts in violation of the contract agreement or other arrangement between the health care provider and a client's health care payor. An administrative penalty of \$500 or higher could be imposed for violations.

Methodology

The Department of State Health Services indicates 2 additional FTEs would be required to conduct 206 onsite investigations of complaints per year. Costs for FTEs (75% in FY 2006) and related salary,

fringe, travel and other operating expenses are included in the estimate, for a total of \$147,069 in the first year and \$179,942 in each year thereafter. The Texas State Board of Medical Examiners (TSBME) indicates investigations could be conducted using existing staff, and resources would be needed for other operating costs, travel and professional services associated with investigations of complaints. TSBME estimates complaints would start at 100 in the first year and decrease over time. Costs are included at a total of \$322,912 in FY 2006 and \$233,937 in FY 2007. Revenue would be generated through the imposition of administrative penalties, however the number of confirmed violations and the penalty that would be set by the various authorized entities is unknown at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Board of Medical Examiners, 537 Department of State Health Services

LBB Staff: JOB, CL, KF, BW