

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Carlos Uresti, Chair, House Committee on Government Reform

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

IN RE: HB3325 by Uresti (Relating to providing all Texas newborns with a comprehensive newborn screening program and establishing a Texas newborn screening advisory committee), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3325, As Introduced: a negative impact of (\$3,599,567) 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	(\$101,018)
2007	(\$3,498,549)
2008	(\$1,743,450)
2009	(\$1,743,450)
2010	(\$1,743,450)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>PUB HEALTH SVC FEE ACCT 524</i>	Probable Savings/ (Cost) from <i>FEDERAL FUNDS 555</i>	Probable Savings/ (Cost) from <i>DSHS PUB HLTH MEDICD REIMB 709</i>
2006	(\$101,018)	\$0	\$0	\$0
2007	(\$3,498,549)	\$0	(\$154,210)	\$0
2008	(\$1,743,450)	(\$1,520,910)	(\$1,390,186)	(\$1,901,280)
2009	(\$1,743,450)	(\$1,520,910)	(\$1,390,186)	(\$1,901,280)
2010	(\$1,743,450)	(\$1,520,910)	(\$1,390,186)	(\$1,901,280)

Fiscal Year	Probable Savings/ (Cost) from <i>INTERAGENCY CONTRACTS 777</i>	Probable Revenue Gain/(Loss) from <i>PUB HEALTH SVC FEE ACCT 524</i>	Probable Revenue Gain/(Loss) from <i>DSHS PUB HLTH MEDICD REIMB 709</i>	Change in Number of State Employees from FY 2005
2006	\$0	\$0	\$0	2.5
2007	(\$36,429)	\$0	\$0	11.5
2008	(\$39,107)	\$1,520,910	\$1,901,280	11.5
2009	(\$39,107)	\$1,520,910	\$1,901,280	11.5
2010	(\$39,107)	\$1,520,910	\$1,901,280	11.5

Fiscal Analysis

The bill relates to providing all Texas newborns with a comprehensive newborn screening program and establishing a Texas newborn screening advisory committee. The bill would amend various sections of Chapter 33 of the Health and Safety Code. The bill would provide a comprehensive newborn screening program and would establish a newborn screening advisory committee. The Department of State Health Services (DSHS) would be required to provide on-going surveillance of the screening program so that the advisory committee can determine the program's efficacy and cost effectiveness.

The bill would direct DSHS to carry out a comprehensive detection and treatment program that would include other conditions, as prescribed in the bill. The bill would also require DSHS to maintain a list and description of each condition included in the newborn screening program and to make the list and description available to physicians and other health care providers.

Methodology

DSHS assumes that the Newborn Screening Advisory Committee would recommend that the comprehensive detection and treatment program include the screening and detection of 4 additional disorders at a cost of \$5.60 per test.

DSHS would need 2.5 FTEs in FY 2006 to assist the advisory committee, including 2 FTEs to coordinate activities, and provide information, among other things, and .5 FTE to conduct research, as requested by the committee. The estimated cost for FY 2006 would total \$101,018, including \$82,034 for salaries and benefits, \$4,500 for in-state travel, \$12,678 for other operating expenses, and \$1,806 for computer equipment.

DSHS would need 11.5 FTEs in FY 2007-2010, including 7 laboratory FTEs and 2 case management program FTEs, in addition to the 2.5 FTEs to assist the advisory committee. In FY 2007, 75% of costs would be assumed for the FTEs due to phase-in period. The estimated cost for FY 2007 would total \$3,481,799 All Funds, including \$457,038 for salaries and benefits, and \$20,250 for rent and utilities. The estimated travel costs would include \$8,000 for in-state travel, and \$5,200 for out-of-state travel. The estimated information technology (IT) cost would total \$3,106 for personal computers. The estimated costs for other expenses include \$3,552,205 for other operating expenses, of which \$3,465,000 would be the costs associated with the tandem mass spectrometry system, and \$18,000 metabolic disease consultant fees. The estimated one-time cost for the installation of an exhaust system for the laboratory would total \$48,000.

The estimated cost for FY 2008-2010 would total \$4,346,376 All Funds each year, including \$572,924 for salaries and benefits, and \$27,000 for rent and utilities. The estimated travel costs would include \$8,000 for in-state travel, \$5,200 for out-of-state travel. The estimated IT cost would total \$2,600 for personal computers. The estimated costs for other expenses include \$4,698,686 for other operating costs, of which \$4,620,000 would be costs associated with the tandem mass spectrometry system, and \$24,000 for metabolic disease consultant fees. The agency also assumes \$267,966 in indirect cost for the laboratory each year. The agency estimates that \$3,422,190 in laboratory fee revenue would be generated in each year of FY 2008-2010. The estimated net cost would total \$924,186 All Funds each year for FY 2008-2010.

The Health and Human Services Commission (HHSC) estimates that the bill's provisions would result in cost to the commission for case management services and laboratory testing. In FY 2007, the estimated cost would total \$207,390 All Funds, including \$89,609 for case management services and \$117,781 for laboratory testing. In FY 2008-2010, the estimated cost would total \$2,248,557 each year, including \$897,478 for case management services and \$1,351,079 for laboratory testing each year.

Technology

The estimated IT cost for personal computers total \$1,806 for FY 2006, \$3,106 for FY 2007 and \$2,600 each year for FY2008-2010.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

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

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