

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: HB3454 by Naishtat (Relating to requiring hospitals to report the percentage of emergency room patients who are uninsured to the Department of State Health Services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3454, As Introduced: a negative impact of (\$2,000,941) 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	(\$1,036,161)
2007	(\$964,780)
2008	(\$986,780)
2009	(\$1,011,500)
2010	(\$1,036,962)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2006	(\$1,036,161)	2.0
2007	(\$964,780)	2.0
2008	(\$986,780)	2.0
2009	(\$1,011,500)	2.0
2010	(\$1,036,962)	2.0

Fiscal Analysis

The bill would require the addition of data elements noting whether emergency room patients are insured or uninsured to the data collected by the Department of State Health Services in the Hospital Discharge Database System.

The Health and Human Services Commission would be required to adopt rules relating to the data submission requirements.

Methodology

DSHS does not currently collect emergency room data under Health and Safety Code, Section

108.009. DSHS estimates that collecting this level of data would result in an increase of 16 million records in fiscal years 2006 and 2007 with an increase of 3 percent in the number of patient records in each subsequent year.

Due to the increased records, DSHS estimates needing two additional FTEs: a Systems Analyst IV to help manage the contract with Commonwealth Clinic Systems (the contractor for the hospital collection system) and a Research Specialist IV to analyze and write reports utilizing the data. Salary, benefits, travel, and other operating costs total \$104,355 in 2006, \$120,980 in 2007, and \$118,980 in each subsequent year. Computer hardware costs total \$1,806 in 2006 and \$1,300 in each subsequent year. In addition, there would be a one-time cost of \$11,000 in 2006 for a server.

Costs for the contractor to develop, implement, and maintain software would total \$119,000 in 2006 and \$42,500 in each subsequent year. In addition, there would be a systems operations cost of \$0.05 per record collected. This would total \$800,000 in 2006 and 2007, \$824,000 in 2008, \$848,720 in 2009, and \$874,182 in 2010.

The Health and Human Services Commission indicates that any costs associated with adopting rules would be absorbed within existing resources.

Technology

Costs for the contractor to develop, implement, and maintain software would total \$119,000 in 2006 and \$42,500 in each subsequent year. DSHS estimates that software development costs would total \$76,500 in 2006 (900 hours at \$85/hour). Software implementation and testing would total \$42,500 in 2006 (500 hours at \$85/hour). Software maintenance would total \$42,500 per year from 2007 through 2010 (500 hours at \$85/hour). Additional technology costs include \$11,000 in 2006 for a server and computer hardware costs of \$1,806 in 2006 and \$1,300 in each subsequent year for the two additional FTEs.

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

LBB Staff: JOB, CL, KF, LW, RM