

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 28, 2005

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: SB872 by Nelson (Relating to a study regarding the impact of niche hospitals on other general hospitals and to certain disclosure requirements regarding niche hospitals.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB872, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>HOSPITAL LICENSING ACCT</i> 129
2006	(\$200,000)
2007	(\$50,000)
2008	\$0
2009	\$0
2010	\$0

Fiscal Analysis

The bill relates to a study regarding the impact of niche hospitals on other general hospitals and to certain disclosure requirements regarding niche hospitals. The bill would amend the Occupations Code. Section 2 would direct the Department of State Health Services (DSHS) to conduct a study regarding the impact of niche hospitals on the financial viability of other general hospitals located in the state. The bill would require the agency to submit a report to the Legislature regarding the results of the study no later than December 1, 2006. Upon enactment, the bill would take effect September 1, 2005.

Methodology

The Department of State Health Services assumes that the agency would contract with the University of Texas School of Public Health or a private entity to conduct the study and prepare the report on the impact of niche hospitals on the financial viability of other general hospitals in the state. The estimated cost of conducting the study totals \$200,000 in General Revenue-Dedicated funds for FY 2006. The estimated cost of preparing the report totals \$50,000 in General Revenue-Dedicated funds for FY 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 537 Department of State Health Services

LBB Staff: JOB, CL, KF, RM