

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 12, 2007

TO: Honorable David Swinford, Chair, House Committee on State Affairs

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

IN RE: HB1557 by Gattis (Relating to the billing and reimbursement of anatomic pathology services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1557, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>GENERAL REVENUE FUND</i> 1	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1
2008	\$53,243	(\$53,243)
2009	\$53,243	(\$53,243)
2010	\$53,243	(\$53,243)
2011	\$53,243	(\$53,243)
2012	\$53,243	(\$53,243)

Fiscal Analysis

The bill would amend the Occupations Code relating to the billing and reimbursement of anatomic pathology services. The bill would establish a licensed practitioner of anatomic pathology services to be a healthcare professional who is licensed in this state including a physician, dentist, advanced practice nurse, and physician assistant, and who orders or performs anatomic pathology services within the scope of the practitioner's practice. The bill would provide authority for the appropriate regulatory agency of this state that issues a license or a certificate to a licensed practitioner to adopt rules necessary to implement the provisions of the bill and to take disciplinary action against a licensed practitioner who violates the requirements of the bill.

The bill would take effect September 1, 2007.

Methodology

Based on the analysis of the Texas Medical Board (TMB), it is estimated that implementing the provisions of the bill would result in 20 new jurisdictional complaints reported each year with an estimated cost of \$53,243 each year. Additionally, the agency estimates an estimated revenue gain of \$25,000 each year to the state resulting from administrative penalties imposed on licensees. However, this analysis does not consider any revenues that could be generated from penalties.

For the purposes of this analysis it is assumed that the average cost for complaint resolution for the TMB is \$2,662.21 each, which includes the cost of salaries for existing staff, professional services, travel and other operating expenses ($[2662.21 \times 20] = \$53,244.20$ per year). According to the agency, these expenses are pro-rated from the following cost categories: professional fees ($\$53,244.20 \times .35 = \$18,635.47$); travel ($\$53,244.20 \times .10 = \$5,324.42$); and other operating expenses ($\$53,244.20 \times .55 = \$29,284.31$). This analysis assumes that the TMB would adjust fees as necessary to cover any additional costs associated with the implementation of the bill.

Based on the analysis of the Board of Dental Examiners and the Board of Nurse Examiners, it is assumed that costs associated with implementing the provisions of the bill for these agencies could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board, 507 Board of Nurse Examiners

LBB Staff: JOB, KJG, MW, NV