

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 9, 2007**

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

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

**IN RE: HB2858** by Davis, John (Relating to the regulation of physicians.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2858, 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 (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2007
2008	(\$336,138)	\$336,138	9.0
2009	(\$300,388)	\$300,388	9.0
2010	(\$300,388)	\$300,388	9.0
2011	(\$300,388)	\$300,388	9.0
2012	(\$300,388)	\$300,388	9.0

**Fiscal Analysis**

The bill would amend the Occupations Code relating to the regulation of physicians. The bill would require the Texas Medical Board (TMB) to adopt rules prohibiting a person regulated by the board from advertising or otherwise representing that the person specializes in a medical specialty field of practice unless the person holds a specialty certification issued by a medical licensing board that is a member of the American Board of Medical Specialties or the Bureau of Osteopathic Specialists.

The bill would change the the agency's current process for reviewing Continuing Medical Education (CME) reporting requirements, by requiring TMB to adopt rules to require verification that a physician renewing a license registration has completed all necessary CME requirements. The bill would also require TMB to maintain information relating to physician profile information on the

agency's website. The bill would require that the profile contain information on any specialty certification currently held by a physician, as well as any formerly held by the physician but no longer held on the date the physician's license is renewed or the physician's profile is updated.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

### **Methodology**

Based on information provided by the TMB, it is assumed that substantive changes to internal applications would require one-time contract programming costs of \$18,750. This analysis also considers TMB's estimate that Bearing Point, the state's Texas Online vendor, would charge TMB up to \$16,000 in costs to change and add to Continuing Medical Education (CME) reporting requirements in the physician registration application.

Based on information provided by the TMB, it is also assumed an additional 8.0 full-time-equivalents (FTEs), classified as Administrative Assistant II at an annual salary rate of \$24,980 per year, in the Licensure Division to review each physician's biennial license renewal and verify the CME that each physician reports would be needed. According to information provided by TMB, each new FTE would review approximately 4 percent or 1,200 licensees each year. TMB also assumes that the new verification process would include a review of all copies of certificates of completion provided by a CME provider to a licensee. TMB estimates approximately 30,000 physicians (approximately ½ the total licensee population) would renew their licenses each year under the current biennial registration system. TMB would be required to verify CME compliance for each of those licensees.

In addition, it is assumed that one additional Investigator IV at an annual salary of \$34,308 would be needed to investigate new complaints. TMB assumes new complaints will be reported as a result of 1) physicians who are advertising in violation of new requirements; physicians who are in violation of the new profile reporting requirements and physicians who are limiting their practice to a medical specialty but who are not board certified in that specialty.

Based on the analysis of the TMB, it is assumed that the Board would adjust license fees to cover any additional costs associated with the implementation of the bill.

### **Technology**

This analysis assumes that \$35,750 in technology related costs would be realized in fiscal year 2008 due to necessary changes that will need to be made to both the agency's internal licensure applications as well as to the Texas Online application for physician license registration. TMB estimates changes to internal applications would require one-time contract programming costs of \$18,750 (250 hours of programming at a rate of \$75/hr) and that Bearing Point, the state's Texas Online vendor, would charge \$16,000 in one-time costs to change and add to CME reporting requirements in the physician registration application. TMB also estimates that required changes to its website to post notification of the new CME requirements would require 20 hours of contract website programming in the first year at a rate of \$50 per hour for a total of \$1,000.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 503 Texas Medical Board

**LBB Staff:** JOB, CL, MW, NV