

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 25, 2007

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB3154 by Laubenberg (Relating to the creation of a review committee to study the provision of indigent health care through county and regional health care services.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3154, As Passed 2nd House: a positive impact of \$128,434 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	(\$55,557)
2009	\$183,991
2010	\$33,991
2011	\$33,991
2012	\$33,991

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
2008	(\$1,105,557)	\$1,050,000
2009	(\$716,009)	\$900,000
2010	(\$716,009)	\$750,000
2011	(\$716,009)	\$750,000
2012	(\$716,009)	\$750,000

Fiscal Year	Change in Number of State Employees from FY 2007
2008	16.0
2009	9.5
2010	9.5
2011	9.5
2012	9.5

Fiscal Analysis

The bill would require independent emergency medical care facilities to be licensed by the Department of State Health Services (DSHS) by December 1, 2008.

Facilities would be charged a licensing fee biennially, as set by the Executive Commissioner of the Health and Human Services Commission (HHSC). The bill would establish an independent emergency medical care facility licensing fund in the state treasury for fees, which could be appropriated to DSHS only to administer and enforce the provisions of the bill. It is assumed the fees would be deposited in the General Revenue Fund.

The bill provides for criminal, civil, and administrative penalties. It is assumed the penalties would not have a significant revenue impact. The Office of the Attorney General indicates any additional work related to injunctive, declaratory judgment, or judicial review proceedings could be absorbed with current resources.

The bill would require the Executive Commissioner of HHSC to adopt rules by September 1, 2008 to implement the provisions of the bill. It is assumed any costs related to adopting rules could be absorbed by HHSC.

The bill would also create the regional health care system review committee in public health region three to conduct public hearings regarding, and to study the implications of, implementing regional health care service to address indigent health care in the region. The committee's composition and duties are defined in the bill. The initial meeting of the committee must occur before September 30, 2007, and the committee would be required to issue a report on indigent health care by September 1, 2008, summarizing hearings and studies conducted by the committee, legislation proposed by the committee, and any other findings or recommendations of the committee. A copy of the report must be submitted to the governor, the lieutenant governor, and the speaker of the house of representatives by not later than December 1, 2008. The committee would be allowed to accept gifts, grants, technical support, or any other resources from any source to carry out the functions of the committee.

Methodology

For fiscal year 2008, DSHS estimates costs of \$963,718 in General Revenue primarily for 16 Full-Time-Equivalent (FTE) positions, including 10 nurses, 4 architects, 1 program specialist, and 1 administrative assistant. Costs are included for salaries, benefits, travel, and other administrative expenses. For fiscal years 2009-2012, DSHS estimates costs of \$708,980 in General Revenue primarily for 9.5 FTEs, including 6 nurses, 1.5 architects, 1 program specialist, and 1 administrative assistant. DSHS indicates more FTEs are needed in fiscal year 2008, because facilities will be licensed in six months in fiscal year 2008, assuming 6 months for rules to be adopted and for other start-up activities. Estimates also include \$3,500 in fiscal years 2009-2012 for the cost of referring one case to the State Office of Administrative Hearings.

DSHS estimates a General Revenue gain of \$1,050,000 in fiscal year 2008, \$900,000 in fiscal year 2009, and \$750,000 in fiscal years 2010-2012. DSHS estimates 300 facilities would require licenses under the bill. Beginning in fiscal year 2009, DSHS assumes 150 facilities would receive two-year licenses per fiscal year at a fee of \$6,000 in fiscal year 2009 and \$5,000 in fiscal years 2010-2012. In fiscal year 2008, 200 facilities would be licensed; 50 would receive one-year licenses at a fee of \$3,000 and 150 would receive two-year licenses at a fee of \$6,000. DSHS would issue some one-year licenses in fiscal year 2008 in order to stagger licenses in subsequent fiscal years and to meet the timelines in the bill.

Technology

In addition, DSHS estimates a technology impact of \$141,840 in General Revenue in fiscal year 2008 and \$7,031 in General Revenue in fiscal years 2009-2012. This includes a one-time cost of \$130,000 in fiscal year 2008 to contract for modifications to the existing health facility licensing integrated system (1,300 hours at \$100 per hour). Also included is \$11,840 in fiscal year 2008 and \$7,031 in fiscal years 2009-2012 for computer hardware and software for the additional FTEs.

Local Government Impact

No significant fiscal implication to units of local government is anticipated regarding the creation of a regional health care system review committee in public health region three.

Source Agencies: 360 State Office of Administrative Hearings, 302 Office of the Attorney General, 529 Health and Human Services Commission, 537 State Health Services, Department of, 304 Comptroller of Public Accounts

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