

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

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

**February 19, 2007**

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

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

**IN RE: SB205** by Nelson (Relating to the privacy of protected health information.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB205, As Introduced: a negative impact of (\$356,000) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	(\$356,000)
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
2008	(\$356,000)	2.2
2009	\$0	0.0
2010	\$0	0.0
2011	\$0	0.0
2012	\$0	0.0

**Fiscal Analysis**

The bill would require the state auditor to conduct an audit related to the designation of state agencies as covered entities for the purposes of the federal Health Insurance Portability and Accountability Act. A report on the audit results would be required by no later than March 1, 2008.

**Methodology**

The State Auditor's Office (SAO) estimates a total cost of \$356,000 in General Revenue in fiscal year 2008 and the need for 2.2 Full-Time-Equivalent positions to conduct the audit. This estimate assumes 3,500 hours of audit time at a cost of \$96 per hour and an additional \$20,000 for travel costs. The SAO indicates that the required audit may be relevant to approximately 30 state agencies.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 308 State Auditor's Office, 454 Department of Insurance, 530 Family and Protective Services, Department of, 537 State Health Services, Department of

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