

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 23, 2007

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

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

IN RE: SB288 by Nelson (Relating to health care associated infection rates at certain health care facilities and the creation of an advisory panel.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB288, Committee Report 1st House, Substituted: a negative impact of (\$3,723,888) 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	(\$2,184,352)
2009	(\$1,539,536)
2010	(\$1,540,556)
2011	(\$1,542,251)
2012	(\$1,543,991)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$2,184,352)	15.0
2009	(\$1,539,536)	15.0
2010	(\$1,540,556)	15.0
2011	(\$1,542,251)	15.0
2012	(\$1,543,991)	15.0

Fiscal Analysis

The bill would amend the Health and Safety Code as it relates to health care associated infection rates at certain health care facilities and the creation of an advisory panel.

The bill would require the Department of State Health Services (DSHS) commissioner to establish the Advisory Panel on Health Care Associated Infections within the infectious disease surveillance and epidemiology branch of the department and to appoint members to the advisory panel. The DSHS Commissioner, as soon as practicable after the effective date of the bill, would be required to appoint members to the Advisory Panel on Health Care Associated Infections. The department would also be required to provide the advisory panel with the assistance it needs to perform its duties.

Health-care facilities would be required to submit quarterly to DSHS a report of the health care

associated infections at the facility for the period covered by the report. Ambulatory surgical centers and general hospitals that perform a certain amount of surgical procedures would be required to report surgical infection data for the three most frequently performed procedures at that center or hospital. The Executive Commissioner and DSHS would be required to adopt rules for the phase in of additional surgical site infections, for inclusion in the report. The bill would require DSHS, using existing resources, to develop the Texas Health Care Associated Infection Reporting System to collect data through electronic communications. DSHS would be required to provide training for infection control professionals regarding the reporting system.

Not later than November 1 of each even-numbered year, the DSHS commissioner would be required to file with the presiding officer of each house of the legislature, a report with the advisory panel's recommendations for legislation regarding the collection and reporting of infection rates.

DSHS, on its Internet website and in a written report, would be required to at least annually disclose to the public for each health care facility, the risk-adjusted infection rate. Published infection rates may not be used in a civil action as the sole evidence to establish a standard of care applicable to a health care facility.

Section 2 of the bill would require the HHSC Executive Commissioner, as soon as practicable after the effective date of this Act, to adopt rules and procedures necessary to implement the bill. It would also require DSHS to require submission of the initial reports, not later than January 1, 2008, and to disclose to the public, the information required by this bill.

The bill would take effect immediately if it received a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2007.

Methodology

Although the provisions of the bill require DSHS to use existing resources, the department states that additional resources would be needed to implement the provisions of the bill. It is estimated that an additional 15 FTEs would be needed at a cost of \$1,442,602 in FY08, \$1,519,286 in FY09, \$1,520,306 in FY10, \$1,522,001 in FY11, and \$1,523,741 in FY12. These costs include salaries, benefits, travel, and other standard costs for each FTE.

In addition, DSHS estimates that \$718,000 in FY08 would be needed for system development costs and \$23,750 in FY08 and \$20,250 for subsequent years for data center services costs for server capacity. The total cost would be \$2,184,352 in FY08, \$1,539,536 in FY09, \$1,540,556 in FY10, \$1,542,251 in FY11, and \$1,543,991 in FY12.

Technology

DSHS estimates the technology impact would be \$741,750 in FY08 and \$20,250 in each subsequent fiscal year.

Local Government Impact

A local governmental entity that owns a hospital or an ambulatory surgery center could incur costs to meet the reporting requirements. Those hospitals with electronic data management systems may need to purchase additional software to effect the migration of infection data into the DSHS system without the need for duplicate data entry.

Source Agencies: 537 State Health Services, Department of

LBB Staff: JOB, CL, PP, SJ