

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: SB1101 by Duncan (Relating to the reporting and disclosure of financial arrangements between referring health care providers and diagnostic imaging providers; providing penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1101, Committee Report 1st House, Substituted: 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>New Other</i>	Probable (Cost) from <i>New Other</i>
2008	\$286,000	(\$232,205)
2009	\$286,000	(\$254,096)
2010	\$286,000	(\$254,096)
2011	\$286,000	(\$254,096)
2012	\$286,000	(\$254,096)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	4.0
2009	4.0
2010	4.0
2011	4.0
2012	4.0

Fiscal Analysis

The bill would require diagnostic imaging providers to report to the Department of State Health Services (DSHS) on referrals from certain health care providers. The bill would require DSHS to conduct a study and issue a report on the use of diagnostic imaging providers.

The bill would require diagnostic imaging providers to pay a fee of up to \$500 to DSHS at the time of an initial report and once each calendar year in which the provider reports. Pursuant to the bill, the fees would be deposited in an account outside the state treasury to be used by DSHS for collection and analysis of data. It is assumed fees would be deposited in a new Other Fund.

The bill would provide for disciplinary actions and civil penalties for diagnostic imaging providers. It is assumed the penalties would not have a significant revenue impact. The Office of Attorney General indicates any additional work related to the collection of penalties could be absorbed with existing resources.

The bill would require the Health and Human Services Commission (HHSC) to adopt rules related to the requirements of the bill. It is assumed this would not have significant fiscal impact on HHSC.

Methodology

DSHS estimates fee revenue of \$286,000 per fiscal year. This estimate assumes approximately 1,300 diagnostic imaging providers would pay a fee of \$220 annually.

It is assumed DSHS would need 4 additional Full-Time-Equivalent (FTE) positions to collect and analyze the data submitted by diagnostic imaging providers and to issue the required report. DSHS estimates a cost of \$228,477 in fiscal year 2008 and \$250,368 in fiscal years 2009-2012 for salaries and administrative costs.

Technology

DSHS estimates a cost of \$3,728 per fiscal year for computer hardware and software for the additional FTEs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 537 State Health Services, Department of, 302 Office of the Attorney General

LBB Staff: JOB, KJG, PP, SSt