

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 18, 2007

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

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

IN RE: SB1115 by Deuell (Relating to the regulation of independent emergency medical care facilities; providing an administrative penalty; creating an offense.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1115, As Introduced: a positive impact of \$43,828 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	(\$191,915)
2009	\$235,743
2010	\$25,743
2011	\$25,743
2012	\$25,743

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain from GENERAL REVENUE FUND 1
2008	(\$1,421,915)	\$1,230,000
2009	(\$994,257)	\$1,230,000
2010	(\$994,257)	\$1,020,000
2011	(\$994,257)	\$1,020,000
2012	(\$994,257)	\$1,020,000

Fiscal Year	Change in Number of State Employees from FY 2007
2008	21.0
2009	13.0
2010	13.0
2011	13.0
2012	13.0

Fiscal Analysis

The bill would require independent emergency medical care facilities to be licensed by the

Department of State Health Services (DSHS) by September 1, 2008.

Facilities would be charged an annual licensing fee in an amount to be 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 may 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 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 March 1, 2008 to implement the provisions of the bill. It is assumed any costs related to adopting rules could be absorbed by HHSC.

Methodology

For fiscal year 2008, DSHS estimates costs of \$1,276,375 in General Revenue primarily for 21 Full-Time-Equivalent (FTE) positions, including 13 nurses, 6 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 \$984,637 in General Revenue primarily for 13 FTEs, including 8 nurses, 3 architects, 1 program specialist, and 1 administrative assistant. DSHS indicates more FTEs are needed in fiscal year 2008, because all 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 revenue gain of \$1,230,000 in General Revenue in fiscal years 2008-2009 and \$1,020,000 in General Revenue in fiscal years 2010-2012. This assumes 300 licenses per year at a fee of \$4,100 in fiscal years 2008-09 and \$3,400 in fiscal years 2010-2012.

Technology

In addition, DSHS estimates a technology impact of \$145,540 in General Revenue in fiscal year 2008 and \$9,620 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 \$15,540 in fiscal year 2008 and \$9,620 in fiscal years 2009-2012 for computer hardware and software for the additional FTEs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, CL, PP, SSt