

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 27, 2009

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

IN RE: HB2271 by Truitt (Relating to the regulation of certain chiropractic clinics; providing administrative and criminal penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2271, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$179,498)	\$179,498	2.0
2011	(\$155,498)	\$155,498	2.0
2012	(\$155,498)	\$155,498	2.0
2013	(\$155,498)	\$155,498	2.0
2014	(\$155,498)	\$155,498	2.0

Fiscal Analysis

The bill would require each controlling person of a non-doctor-of-chiropractic-owned chiropractic clinic to obtain a license from the Texas Board of Chiropractic Examiners. The bill would exempt physicians from this requirement. The bill would establish the definition of controlling person and the terms of eligibility for a license. The bill would require the Texas Department of Insurance, the division of workers' compensation of the Texas Department of Insurance, and the Attorney General's Office to assist in the implementation of the provisions of the bill and to provide information to the board on request.

The bill would require the Board of Chiropractic Examiners to adopt rules to implement the provisions of the bill. The bill would authorize the Board to collect fees to cover costs. The Board would be

required to adopt rules by November 1, 2009.

The bill would take effect September 1, 2009. The license requirements and administrative and criminal penalties would take effect January 1, 2010.

Methodology

Based on information provided by the Office of the Attorney General and the Texas Department of Insurance, it is assumed that any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

The Board of Chiropractic Examiners anticipates that the license requirements of the bill would add an additional 750 to 1,000 licensees to the population it regulates. The Board currently registers Chiropractic clinics, and approximately 400 of the 3,400 registered clinics are owned by individuals that are not licensed as doctors of chiropractic in Texas. Many of these clinics have multiple individuals who would qualify as a "controlling person" under the definition established in the bill.

Based on information provided by the Board of Chiropractic Examiners, it is assumed that an additional 2.0 additional FTEs would be needed to license and regulate the new population of clinic owners: 1.0 attorney and 1.0 program manager. The agency would require expertise in understanding financial statements, articles of incorporation, bylaws, and various legal questions concerning qualifications of "controlling persons". It is also assumed that the Board would need to modify the agency's database to track applications and to issue and renew licenses for non-DC clinic owners and their clinics. In addition, this analysis considers that the board would need to acquire new space in the Hobby Building or remodel current office space in order to house the additional 2.0 FTEs.

This analysis assumes that any increased costs to the agency, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

Technology

Based on the analysis of the Board of Chiropractic Examiners, the agency would need to pay a contract programmer \$12,000 to modify its in-house database.

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, 454 Department of Insurance, 508 Board of Chiropractic Examiners

LBB Staff: JOB, ES, CL, MW