

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 1, 2009**

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

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

**IN RE: HB3816** by Brown, Fred (Relating to the powers and duties of the Texas Medical Board.),  
**Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3816, 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 (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$1,489,450)	\$1,489,450	22.0
2011	(\$1,170,672)	\$1,170,672	22.0
2012	(\$1,170,672)	\$1,170,672	22.0
2013	(\$1,170,672)	\$1,170,672	22.0
2014	(\$1,170,672)	\$1,170,672	22.0

**Fiscal Analysis**

The bill would amend the Occupations Code relating to the powers and duties of the Texas Medical Board (TMB). The bill requires that before a complaint is reviewed, the board must redact all information that identifies the physician who is the subject of a complaint, the patient, and the person filing the complaint. The bill requires the board to deliver a copy of the preliminary and final reports to the physician who is the subject of the review. Before delivering the reports to the physician, the board shall redact information identifying the expert physicians from the reports. The bill also requires that on request by a physician under review, the board shall make a recording of the informal settlement conference proceeding.

This bill would take effect September 1, 2009.

## **Methodology**

For the purposes of this analysis the TMB assumes the following costs to implement the provisions of the bill. TMB estimates additional complaint delivery costs at \$24,071 each fiscal year (\$5.25 x 4,585 estimated complaints). Respondents must be notified by personal delivery or certified mail.

In addition, TMB estimates there are approximately 1,000,000 pages per year of investigations materials that would be provided to members of the expert physician panel. TMB estimates that one employee will be able to redact and average of 25 pages per hour, allowing time for proofing, electronic document retrieval and storage. According to the analysis by TMB, 21 FTEs would be required to process redactions. This includes 18 Administrative Assistant III (\$35,000 per year) 2 Administrative Assistant IVs (\$40,000 per year) and 1 Program Supervisor II (\$52,000 per year). One additional IT FTE, a Systems Analyst III (\$44,254 per year), will be required to support both the redaction process and informal settlement conference (ISC) recordings. The total salary cost for the 22 FTEs is estimated at \$806,254. In addition, leased office space will be required for the additional staff. Costs are estimated at \$25 per square foot with 200 square feet required per FTE, totaling \$110,000 per year in lease costs. The agency's analysis also assumes initial setup costs for the 22 FTEs to include computer hardware and software and office furnishings. Furnishings or cubicle workspace is estimated at \$3,000 per employee, totaling \$66,000 in one-time costs the first year. Software and equipment costs per FTE are \$2,399 per employee, totaling \$52,778 in one-time costs the first year.

Redaction will also require additional information technology server capacity to store the redacted investigations documents to provide for secured access by expert panel reviewers. Acquisition of hardware and software is estimated to \$45,000 in one-time capital expense the first year.

Based on the analysis of the agency, it is assumed that the Board would adjust license fees to cover any additional costs associated with the implementation of this bill.

## **Technology**

The agency estimates additional costs for equipment and software to support recordings and storage. TMB estimates it would need one server at a cost of \$35,000 and one storage appliance at an estimated cost of \$120,000 which will be used for capacity, additional storage and security. This process will be supported by a Systems Analyst (\$44,254).

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 503 Texas Medical Board

**LBB Staff:** JOB, CL, MW, NV