

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 6, 2009

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

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

IN RE: SB911 by Williams (Relating to the licensing and regulation of pain management clinics.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for SB911, As Introduced: 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 from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$199,784)	\$199,784	4.0
2011	(\$198,402)	\$198,402	4.0
2012	(\$198,402)	\$198,402	4.0
2013	(\$198,402)	\$198,402	4.0
2014	(\$198,402)	\$198,402	4.0

Fiscal Analysis

The bill would amend the Occupations Code relating to the licensing and regulation of pain management clinics. The bill creates a program of licensing and regulation of pain management clinics by the Texas Medical Board (TMB) and would require 4 additional FTEs to implement licensure and enforcement provisions of the bill. 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 the bill.

The bill would take effect September 1, 2009.

Methodology

According to the analysis provided by the Texas Medical Board, 1 Licensure Analyst I (\$29,146 per year) will be required to perform licensing application and renewal procedures and 3 FTEs will be required to perform required inspections and complaint investigations including 1 Inspector VI (\$39,118 per year) and 2 Inspector V (\$34,625 per year). There will be employee benefit costs of \$39,288 per year.

TMB estimates initial equipment and setup costs will be \$2,399 for the licensure FTE and \$3,361 per FTE for enforcement positions, for a total of \$12,482 in the first year.

Travel costs for enforcement staff are estimated at \$600 per person, totaling \$ 21,600 for the 3 inspectors per year. Travel costs for the first year are estimated to be \$10,500 as the number of inspections completed will be lower during implementation.

Implementation cost will total \$199,784 for the first year and \$198,402 in each succeeding year.

In accordance with provisions of the bill, TMB will assess a license fee of \$1,000 per license to be paid biennially. It is estimated that there will be approximately 200 units paying the fee each year, resulting in revenue of approximately \$200,000 per year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 503 Texas Medical Board

LBB Staff: JOB, CL, MW, NV