

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 14, 2011

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

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

IN RE: HB1013 by Brown (Relating to the powers and duties of the Texas Medical Board.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1013, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

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
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$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
2012	(\$1,370,745)	\$1,370,745	24.0
2013	(\$1,111,467)	\$1,111,467	24.0
2014	(\$1,111,467)	\$1,111,467	24.0
2015	(\$1,111,467)	\$1,111,467	24.0
2016	(\$1,111,467)	\$1,111,467	24.0

Fiscal Analysis

The bill would amend the Occupations Code relating to the powers and duties of the Texas Medical Board (TMB). The bill would require 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 would require 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 would be required to redact information identifying the expert physicians from the reports. The bill would also require that on request by a physician under review, the board would make a recording of the informal settlement conference proceeding.

This bill would take effect September 1, 2011.

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 \$26,250 each fiscal year (\$5.25 x 5,000 estimated complaints) to meet the requirement that 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 1 Clerk III (\$23,000 per year) would be able to redact an 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 20 Administrative Assistant III (\$31,500 per year) and 1 Program Supervisor II (\$40,000 per year). In addition, TMB estimates two additional Information Technology staff would be required to support both the redaction process and information settlement conference hearings. This includes 1 Systems Analyst III (\$43,600 per year) and 1 Audio/Visual Tech III (\$29,933 per year). The total salary cost for the 24 FTEs is estimated at \$766,633. In addition, additional leased office space would be required for the additional staff. Costs estimated at \$25 per square foot with 200 square feet required per FTE equate to \$105,000 per year in lease costs. The agency's analysis also assumes initial setup costs for the 24 FTEs to include computer hardware and software and office furnishings, totaling \$72,000 in one-time costs the first year. The redaction requirement would also require additional information technology server capacity to store the redacted investigations documents to provide for secured access by expert panel reviewers. Based on the agency's analysis, acquisition of hardware and software is estimated to be \$45,000 in one-time capital expense the first year.

According to the analysis by TMB, implementation of this bill could impact the agency's ability to generate the necessary fee revenue due to the statutory caps on biennial license registration. However, it is assumed that the Board would adjust license fees to cover any additional costs associated with the implementation of this bill based on the analysis of the agency.

Technology

The agency estimates additional costs for equipment and software to support recordings and storage. TMB estimates one server at a cost of \$45,000 and recording and editing equipment for an estimated cost of \$142,278 which will be used for capacity, additional storage and security. This process will be supported by a Systems Analyst III (\$43,600). The total one-time start-up technology costs for fiscal years 2012-13 are estimated to be \$187,278.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings, 503 Texas Medical Board

LBB Staff: JOB, CL, MW, NV