

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 27, 2011

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

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

IN RE: **HB1621** by Truitt (Relating to the licensing and regulation of diagnostic imaging facilities and fluoroscopy-guided pain management procedure centers; providing penalties.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB1621, 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 New General Revenue Dedicated	Probable Revenue Gain from New General Revenue Dedicated	Change in Number of State Employees from FY 2011
2012	(\$265,115)	\$265,200	2.3
2013	(\$116,466)	\$117,000	1.0
2014	(\$116,602)	\$117,000	1.0
2015	(\$116,741)	\$117,000	1.0
2016	(\$116,884)	\$117,000	1.0

Fiscal Analysis

The bill would add a chapter to the Health and Safety Code requiring the Department of State Health Services (DSHS) to license and regulate diagnostic imaging facilities and fluoroscopy-guided pain management procedure centers; exemptions are provided. The bill authorizes a licensing fee in an amount to cover the costs of administering the chapter. The bill authorizes inspections by DSHS as necessary to ensure compliance with the chapter and requires DSHS to investigate complaints. The bill would authorize civil, criminal and administrative penalties for a violation of the chapter or a rule adopted under the chapter.

The bill would require that the executive commissioner of HHSC adopt rules necessary to implement

the chapter no later than January 1, 2012. A facility would not be required to hold a license under the chapter until March 1, 2012. Subchapters relating to general enforcement and administrative penalties would take effect September 1, 2012; otherwise, the bill would take effect September 1, 2011.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current legislature.

Methodology

DSHS estimates that there are approximately 78 facilities to be issued licenses and monitored; calculations assume the number of facilities licensed each fiscal year would remain constant. DSHS would, with authority provided in current statute, divide the issuance of the initial licenses between one-year, two-year, and three-year licenses. All renewals would then be for three years, as required by the bill. DSHS estimates 25 complaint investigations per year beginning in fiscal year 2013; however, calculations do not include any assumptions relating to penalties.

Costs listed below for DSHS would be offset by fees deposited to the new General Revenue-Dedicated fund created by the bill. It is assumed the fees would be set in an amount to cover expenses associated with issuing and renewing licenses, as authorized in the bill. Additional funding and full-time equivalents (FTEs) would, however, need to be appropriated to DSHS. Based on the costs below, the fee for a three-year license is assumed to be \$5,100 (\$3,400 for the two-year and \$1,700 for the one-year licenses) to be collected in fiscal year 2012. The fee for a license renewal, valid for three years, would be \$4,500 and collected in fiscal years 2013 and beyond.

Total costs for DSHS, including expenses related to FTEs, travel, and technology are estimated to be \$265,115 in All Funds in fiscal year 2012 and approximately \$116,700 per fiscal year thereafter. DSHS would need 2.3 FTEs in fiscal year 2012 and 1.0 in each year thereafter.

The Office of the Attorney General indicates that any costs to implement the provisions of the bill could be absorbed by current resources. The Comptroller of Public Accounts indicates that the fiscal impact of the bill cannot be estimated; there would be no administrative costs at the agency.

Technology

Costs for fiscal year 2012 include \$22,500 for one-time system modifications.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 537 State Health Services, Department of

LBB Staff: JOB, CL, VJC, MB, NB, KKR