

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 18, 2011

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: HB2098 by Davis, John (Relating to the authority of physicians and physician assistants to form certain entities.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2098, As Engrossed: 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 2011
2012	(\$17,900)	\$17,900	0.5
2013	(\$17,900)	\$17,900	0.5
2014	(\$17,900)	\$17,900	0.5
2015	(\$17,900)	\$17,900	0.5
2016	(\$17,900)	\$17,900	0.5

Fiscal Analysis

The bill would amend the Business Organizations Code and the Occupations Code relating to the authority of physicians and physician assistants to form certain entities.

The bill would authorize physicians and physician assistants (PAs) to form a corporation, a partnership, or a professional association or limited liability company to perform professional services that fall within the scope of practice of those practitioners.

The bill would require organizers of any of these types of entities to ensure that either a physician or physicians control and manage the aspects of the entity relating to the practice of medicine. The Texas Medical Board (TMB) and the Texas Physician Assistant Board would continue to exercise regulatory

authority over their respective license holders according to applicable law. The bill would also require that a physician assistant or combination of physician assistants may have only a minority ownership interest in a corporation or partnership.

The bill would require a physician who jointly owns an entity with a PA to report annually to the TMB the ownership interest and other information required by board rule. The bill would also require TMB to assess a fee for processing these reports. The bill would add a corresponding requirement that a PA who jointly owns an entity with a physician to report annually to the PA Board the ownership interest and other information required by board rule. The bill would require the PA Board to assess a fee for processing these reports.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2011.

Methodology

According to the analysis provided by TMB, the agency estimates that a 0.5 full-time-equivalent (FTE) would be needed to process the annual reports required by the bill. The FTE would be a 0.5 Administrative Assistant I at an annual salary of \$14,000. Estimated impact for TMB for fiscal years 2012 to 2016 = 17,900 each fiscal year (\$14,000 Salary + \$3,900 Benefits).

TMB estimates 500 reports would be realized each fiscal year and anticipates charging a fee of approximately \$36 per report to process the reports and to cover the costs of the 0.5 FTE. TMB reports that it would absorb any start-up costs for equipment for the FTE.

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.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board

LBB Staff: JOB, KJG, MW, NV