

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 15, 2011

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

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

IN RE: HB2312 by Coleman (Relating to the creation of a sickle cell disease program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2312, As Introduced: a negative impact of (\$3,051,244) 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	(\$1,522,880)
2013	(\$1,528,364)
2014	(\$1,528,364)
2015	(\$1,528,364)
2016	(\$1,528,364)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2011
2012	(\$1,522,880)	5.1
2013	(\$1,528,364)	5.1
2014	(\$1,528,364)	5.1
2015	(\$1,528,364)	5.1
2016	(\$1,528,364)	5.1

Fiscal Analysis

The bill amends Texas Health and Safety Code Chapter 33 to create a sickle cell disease program.

The bill directs the Department of State Health Services (DSHS) to develop a program that will provide education; improve the detection and treatment; coordinate delivery of services; provide access to information; bundle technical services related to prevention and treatment; provide training for health professionals; identify other efforts related to the expansion and coordination of education, treatment, and continuity of care programs; and award grants relating to sickle cell disease and sickle cell trait. The bill also requires the establishment of an advisory committee to advise DSHS regarding the needs of individuals with sickle cell trait and sickle cell disease, including recommendations regarding legislative action and rules.

The bill also requires public health districts or local health departments to provide testing for sickle cell trait and sickle cell disease and related counseling services at no cost to any individual who requests those services. The bill also requires laboratories operated by, or under contract with DSHS to provide an individual's sickle cell testing results to any public health district, local health department, or health and human services agency at the request of an individual.

This act would take effect immediately if it receives two-thirds vote of all members of each house. If it does not receive the necessary votes it would take effect September 1, 2011.

Methodology

Duties of the Department (Section 33.052)

In order to implement the provisions in Section 33.052, the following assumptions are made:

- 1) One Program Specialist V at a salary of \$60,750 is needed to provide program oversight, administer a grant program, develop program rules and serve on the advisory committee. It is assumed that this individual would only be needed for nine months in the first year.
- 2) One Nurse IV at a salary of \$69,552 is needed to provide education and training to health professionals. It is assumed that this individual would only be needed for nine months in the first year.
- 3) A one-time cost of \$50,000 to develop educational materials regarding genetic testing and counseling; and
- 4) \$500,000 in each fiscal year in grant funds to implement the other provisions in Section 33.052, in particular, the coordination of delivery of services for people with sickle cell disease.

Advisory Committee (Section 33.053)

- 1) DSHS assumes that the advisory committee will meet twice a year in Austin. The cost for travel expenses for the 11 member board (the DSHS program administrator would not be included in this cost) to meet semi-annually is \$6,920 a year. This includes airfare (\$200), meals (\$36 per diem), ground transportation (\$25 a day), and hotel (\$85 a night).
- 2) One Program Specialist II at a salary of \$49,500 is needed to coordinate advisory committee activities and serve on the committee. It is assumed that this individual would only be needed for nine months in the first year.

Laboratory Costs (Section 33.054)

DSHS acts as the local health authority in approximately 19% of the state where no such authority exists and would be the entity responsible for providing testing for sickle cell trait and sickle cell disease and related counseling services, at no cost to an individual, pursuant to Section 33.054 of the bill. DSHS estimates that approximately 60,000 sickle cell specimens would need to be tested each year under the provisions of this bill. Assuming that they would be responsible for 19% of those tests, the agency estimates that they would need to test 11,400 specimens a year. DSHS anticipates that it would require two additional FTEs to perform specimen acquisition, data entry, testing and reporting associated with this new function. These FTEs include a Medical Technologist IV at a salary of \$53,061 and a Medical Technologist III at a salary of \$45,454. It is assumed that these individuals would only be needed for nine months in the first year. The agency estimates the costs for testing equipment, reagents, and supplies to be \$27,702 a year.

DSHS estimates that 2,850 individuals (25% of those tested by DSHS) would require one session of follow up genetic counseling at a cost of \$150 a session for a total of \$427,500 a fiscal year in contracted professional fees for this purpose. The agency also estimates some additional Health and Human Services Commission oversight costs including .06 FTEs as well as additional other operating costs associated with this new function.

Local Government Impact

Local health districts would incur costs associated with providing testing services for sickle cell trait and sickle cell disease and related counseling services at no cost to clients. Costs would vary by locality depending on the number of patients receiving testing and counseling services.

Dallas County Health and Human Services Department anticipates costs of \$489,331 for FY 2012, \$513,798 for FY 2013, \$539,488 for FY 2014, \$566,462 for FY 2015 and \$594,785 for FY 2016 (approximately 4 percent of the department budget) if the bill is passed.

Source Agencies: 301 Office of the Governor, 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: JOB, CL, MB, JF, KKR