

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 18, 2011

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

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

IN RE: SB894 by Duncan (Relating to the employment of physicians by certain hospitals.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to authorize certain hospitals to employ a physician and retain all or part of the professional income generated by the physician for medical services provided at the hospital if the hospital meets requirements as defined by the provisions of the bill. The hospital would be required to appoint a chief medical officer and to adopt and maintain policies to ensure independent medical judgment of the physicians is exercised in providing care to the hospital's patients.

The bill also would amend the Occupations Code to require the Texas Medical Board (TMB) to certify a health organization to employ physicians licensed by the Board. The bill also includes employer and employee requirements that would apply to an organization that would be certified.

Based on the analysis of the TMB, duties and responsibilities associated with implementing the provisions of the bill could be absorbed within existing resources. Under the current statute, TMB currently certifies approximately 350 non-profit health entities and is authorized by rule to charge both an initial application fee and a registration (renewal) fee for the certifications. A portion of the hospitals applying for certification under may already be certified and because the number of new certification applications that may be received cannot be estimated, the agency does not anticipate a significant impact in terms of increased workload or increased revenue generated from certification fees from the new applicants.

Local Government Impact

There could be a significant positive fiscal impact to the applicable hospitals related to certain provisions of the bill, but the amounts would vary depending on the provisions implemented by an applicable hospital.

Source Agencies: 503 Texas Medical Board

LBB Staff: JOB, KJG, TP, KKR