

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 27, 2013

TO: Honorable Joseph Pickett, Chair, House Committee on Homeland Security & Public Safety

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1803 by Callegari (Relating to the renewal of a controlled substance registration by physicians.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1803, As Introduced: a negative impact of (\$1,503,007) through the biennium ending August 31, 2015.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2014 | \$0 |
| 2015 | (\$1,503,007) |
| 2016 | \$0 |
| 2017 | (\$1,534,037) |
| 2018 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund 1 | Probable Revenue Gain/(Loss) from General Revenue Fund 1 |
|-------------|--|---|
| 2014 | (\$126,000) | \$126,000 |
| 2015 | \$0 | (\$1,503,007) |
| 2016 | \$0 | \$0 |
| 2017 | \$0 | (\$1,534,037) |
| 2018 | \$0 | \$0 |

Fiscal Analysis

The bill would amend the Health and Safety Code to authorize the Department of Public Safety (DPS) to exempt certain physicians from registering with DPS each separate location where the physician manufactures, distributes, prescribes, analyzes, dispenses, or possesses a controlled substance. The bill would make a such combined registration valid for one year unless DPS by rule provides for a two-year validity. The bill would allow a physician to renew the combined registration by remitting to the Texas Medical Board (TMB) his or her registration permit renewal

and the required DPS application and fee. The bill would require TMB to adopt rules regarding a procedure for submitting the controlled substance registration renewal applications and applicable fees to DPS.

The bill would take effect January 1, 2014.

Methodology

The Comptroller has estimated the bill would result in a revenue loss to the General Revenue Fund of \$1,503,007 in fiscal year 2015 and \$1,534,037 in fiscal year 2017. Using data provided by the Department of Public Safety (DPS), the Comptroller estimates there are approximately 54,000 physicians who would be subject to the biennial registration fee of \$25 (effective January 1, 2014) instead of the annual registration fee currently in place. The Comptroller then estimated the number of renewals and new applications and projected the revenue implications to General Revenue Fund 0001 based on changes from annual payments to biennial payments (at the same rate), with the first non-payment year for renewals assumed to be 2015.

The Texas Medical Board (TMB) assumes it would need to make changes to its licensing system to implement the provisions of the bill. TMB estimates that approximately 1,210 hours of computer programming and business process analysis would be associated with the implementation. For the purpose of this analysis, the agency estimates a one-time technology cost of \$126,000 in fiscal year 2014. Based on the analysis provided by the agency, it is assumed that the Board would adjust license fees to cover any additional costs associated with the implementation of this bill.

It is assumed the costs associated with implementing the provisions of the bill for other state agencies could be absorbed within current appropriations.

Technology

The Texas Medical Board (TMB) assumes it would need to make changes to its licensing system to implement the provisions of the bill. TMB estimates that approximately 1,210 hours of computer programming and business process analysis would be associated with the implementation. For the purpose of this analysis, the agency estimates a one-time technology cost of \$126,000 in fiscal year 2014.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 503 Texas Medical Board

LBB Staff: UP, ESi, AI, JAW, NV