

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 16, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2297 by Naishtat (Relating to the licensing and regulation of medical laboratory professionals; providing penalties; imposing fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2297, As Introduced: an insignificant negative impact 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	(\$139,744)
2015	\$55,768
2016	\$56,902
2017	\$56,902
2018	\$56,902

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2013
2014	(\$790,744)	\$651,000	3.8
2015	(\$374,732)	\$430,500	5.0
2016	(\$373,598)	\$430,500	5.0
2017	(\$373,598)	\$430,500	5.0
2018	(\$373,598)	\$430,500	5.0

Fiscal Analysis

The bill would amend the Occupations Code by adding Chapter 703, related to the licensing and regulation of medical laboratory professionals; and providing penalties and imposing fees. To implement the provisions of the bill, Department of State Health Services (DSHS), in conjunction with the Health and Human Services Commission (HHSC), would create a new Professional Licensing and Certification Unit to license and regulate medical laboratory professionals. The bill requires an individual to hold a license in order to perform medical laboratory tests; exemptions

are provided. The agency would establish these licensing application requirements, issue licenses to qualified individuals, and collect reasonable licensing fees to cover the costs of administering the bill. The bill requires DSHS to post a registry of license holders on the agency website.

The agency would also be required to appoint the Laboratory Science Advisory Committee to provide recommendations on relevant technical matters. The bill provides for Sunset review of the advisory committee. Unless continued in existence by that chapter, the advisory committee would be abolished and this chapter would expire September 1, 2027.

The bill authorizes DSHS to take disciplinary action or impose an administrative penalty against license holders or other persons who violate the chapter or rules adopted under the chapter. It also entitles a license holder to a hearing conducted by the State Office of Administrative Hearings if DSHS proposes to deny a license or to take disciplinary action against a license holder.

The bill would take effect September 1, 2013 and requires that HHSC adopt necessary rules, standards, procedures, and fees to implement the bill not later than August 31, 2014. A person practicing medical laboratory science is not required to hold a license before September 1, 2014.

Methodology

DSHS indicates it would need 5 additional FTEs to be phased in during fiscal year 2014 to administer the new program, including processing license applications, investigating complaints, and supporting the advisory committee. FTE-related costs are estimated at \$156,366 in General Revenue Funds for fiscal year 2014 and \$255,688 for each following year. HHSC enterprise support costs, including .06 FTEs, total approximately \$38,844 for fiscal year 2014 and \$38,479 for each following year. In addition, to cover the cost of tuition and certification for DSHS laboratory personnel in the first year, DSHS estimates a \$447,200 cost. Other operating costs account for approximately \$148,000 in fiscal year 2014, and \$80,000 thereafter.

Increased revenue is assumed to offset much of the cost of the bill. DSHS estimates that, if the bill were enacted, the agency would issue an additional 21,000 two-year licenses. Licenses would be staggered over the first two years by issuing one-year licenses for half the applicants for the first year only and two-year licenses for the other half of the applicants. If 10,500 of the applicants pay for one year licenses (\$21 per license) and the other 10,500 pay for two-year licenses (\$41 per license), DSHS estimates that increased revenue for fiscal year 2014 will total \$651,000. For each following year, increased revenue is estimated at \$430,500 each year. (10,500 x \$41 per license).

The Comptroller of Public Accounts indicates that the amount of revenue collected from potential civil and administrative penalties cannot be determined at this time.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 537 State Health Services, Department of, 720 The University of Texas System Administration

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