

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 16, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2709 by Cortez (Relating to the establishment of a state plan for bacterial pneumonia education and prevention.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2709, As Introduced: a negative impact of (\$3,742,063) through the biennium ending August 31, 2015.

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
2014	(\$2,504,492)
2015	(\$1,237,571)
2016	(\$1,237,571)
2017	(\$1,237,571)
2018	(\$1,237,571)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2014	(\$2,504,492)
2015	(\$1,237,571)
2016	(\$1,237,571)
2017	(\$1,237,571)
2018	(\$1,237,571)

Fiscal Analysis

The bill would amend the Health and Safety Code relating to the establishment of a state plan for bacterial pneumonia education and prevention. Under the provisions of the bill, the Department of State Health Services (DSHS) is required to develop a state plan for the prevention and treatment of bacterial pneumonia and seek the input of the public, other state agencies, public advocates,

and advisory bodies in developing the plan. The bill requires DSHS to update the plan biennially. The bill requires DSHS to develop a program to increase awareness and knowledge of bacterial pneumonia which includes a study, conducting health education, public awareness, and community outreach, and providing training to public health clinic staff. As part of the program, DSHS is required to develop a prevention program to reduce the risk of transmission of bacterial pneumonia. In developing the prevention program, DSHS is required to develop a forecast, in conjunction with an academic medical center or nonprofit institution, of the economic and clinical impacts of bacterial pneumonia.

The bill would take effect on September 1, 2013.

Methodology

DSHS estimates that conducting a public awareness campaign will require working with a third party contractor to develop a statewide multimedia campaign and website at a cost of \$1,200,000 in fiscal year 2013.

The cost of conducting a study to estimate the current and future economic and clinical impacts of bacterial pneumonia on the state will cost \$100,000 in fiscal year 2013 and will require DSHS staff time to conduct research and analysis with the contracted academic center or nonprofit institution.

It is assumed that the prevention program will include expanding the Adult Safety Net Vaccine Program to include the vaccine for pneumococcal vaccine. Based on the information provided by DSHS, the uninsured, at-risk population for bacterial pneumonia is approximately 1,138,112. It is assumed that 20 percent of the eligible population (227,622 persons) will receive the vaccine over a five year period, at a cost of \$24.60 per vaccine. The total cost to General Revenue related to the vaccine is \$1,104,437 annually.

DSHS anticipates needing two additional FTEs to implement the provisions of the bill. The FTEs would be hired in the second quarter of fiscal year 2014. The agency can absorb the additional FTE authority within its existing FTE cap. The additional FTEs would cost \$75,903 in salary and wages and \$22,574 in benefits in fiscal year 2014 and \$101,204 in salary and wages and \$30,098 in benefits in each subsequent year. The other costs associated with the FTEs are estimated to be \$1,579 in fiscal year 2014 and \$1,832 in fiscal year 2015. The total cost to General Revenue related to the FTEs is \$100,056 in fiscal year 2014 and \$133,134 in fiscal year 2015.

It is assumed any costs related to the Health and Human Services Commission implementing the bill could be absorbed within existing agency resources.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: UP, CL, CH, KKR, MB, NB