

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 15, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3201 by Kolkhorst (Relating to the practice of dentistry; imposing surcharges and fees.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3201, Committee Report 1st House, Substituted: an impact of \$0 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	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue-Dedicated-Dental Public Assurance Account	Probable Revenue Gain/(Loss) from General Revenue-Dedicated-Dental Public Assurance Account	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2014	(\$1,791,398)	\$5,280,000	\$933,238	(\$933,238)
2015	(\$2,440,559)	\$5,280,000	\$1,392,893	(\$1,392,893)
2016	(\$2,440,559)	\$5,280,000	\$1,392,893	(\$1,392,893)
2017	(\$2,440,559)	\$5,280,000	\$1,392,893	(\$1,392,893)
2018	(\$2,440,559)	\$5,280,000	\$1,392,893	(\$1,392,893)

Fiscal Year	Change in Number of State Employees from FY 2013
2014	6.0
2015	9.0
2016	9.0
2017	9.0
2018	9.0

Fiscal Analysis

The bill would amend the Occupations Code relating to the practice of dentistry and impose surcharges and fees. The bill would create the General Revenue-Dedicated--Dental Public Assurance Account. The bill would require the Texas State Board of Dental Examiners (TSBDE) to assess an \$80 surcharge on the first registrations and renewals for dentists, dental hygienists, dental assistants and dental labs which would be deposited to the credit of the General Revenue-Dedicated--Dental Public Assurance Account. The bill would allow the TSBDE to delegate authority to board employees to issue licenses to applicants who clearly meet all licensing requirements, and delegate to a committee of board employees the authority to dismiss or enter into an agreed settlement of a complaint that does not relate directly to patient care or that involves only administrative violations.

The bill would require the TSBDE to complete a preliminary investigation to determine if it constitutes a continuing threat to public welfare not later than the 45th day after the date of receiving the complaint, and if the TSBDE fails to complete the preliminary investigation in that time frame then the official investigation of the complaint is considered to commence on that date. The bill would also allow the board to appoint an expert dentist panel to assist with complaints and investigations relating to medical competency by acting as expert dentist reviewers. The bill would require the TSBDE to notify the license holder 45 days before an informal settlement conference is held. The bill would also require the TSBDE to record an informal settlement conference at the request of the license holder, and allow the TSBDE to issue and establish the terms of a remedial plan to resolve the investigation of a complaint; the bill would allow TSBDE to assess fees in the amount necessary to cover associated costs for both actions.

The TSBDE would be required to adopt rules necessary to implement the bill by December 1, 2013. The bill would apply to complaints filed after January 1, 2014. The bill would take effect January 1, 2014, with the exception of Section 7 which would take effect September 1, 2013.

Methodology

Based on information provided by the Comptroller of Public Accounts, it is assumed that 66,000 new and renewal applicants would be subject to the \$80 surcharge per year which would result in a gain to the General Revenue-Dedicated--Dental Public Assurance Account of approximately \$5.3 million each fiscal year.

Based on the analysis of the TSBDE, it is assumed that an additional 6.0 FTEs in fiscal year 2014 and 9 FTEs in each subsequent fiscal year would be required to enforce the provisions of the bill. In addition to salary and benefit costs in the amount of \$445,672 in fiscal year 2014 and \$703,484 in each subsequent fiscal year, it is assumed that the agency would incur other costs of \$295,795 in professional fees and services in fiscal year 2014 and \$230,100 in each subsequent fiscal year, \$19,000 in travel in fiscal year 2014 and \$34,000 in each subsequent fiscal year, \$23,760 in rent for space for the additional FTEs in fiscal year 2014 and \$32,400 in each subsequent fiscal year,

\$45,133 in other costs in fiscal year 2014 and \$45,882 in each subsequent fiscal year, and \$28,800 for equipment in fiscal year 2014 and \$1,800 in each subsequent fiscal year. Based on the analysis of the TSBDE, it is assumed that a total of \$858,160 in fiscal year 2014 and \$1,047,666 in each subsequent fiscal year would be necessary to support the additional FTEs.

In fiscal year 2013 the TSBDE reported approximately \$1.4 million budgeted for enforcement purposes, it is assumed that \$933,238 in fiscal year 2014 and \$1,392,893 in each subsequent fiscal year would be continued for enforcement in addition to the costs related to the additional FTEs in fiscal years 2014-2018. It is also assumed that these costs would be appropriated from the General Revenue-Dedicated--Dental Public Assurance Account instead of the General Revenue Fund under current law. Since the TSBDE is statutorily required to cover the cost of its operations with fee generated revenue, it is assumed that the agency would adjust fees (other than the \$80 surcharge) as necessary to implement the provisions of the bill.

Based on information provided by the Comptroller of Public Accounts, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in the bill would be subject to funds consolidation review by the current Legislature.

Technology

Based on the analysis of the TSBDE, it is estimated that \$150,000 in Professional Fees and Services would be required in fiscal year 2014 to create electronic complaint files and obtain encrypted email service to facilitate the review of complaints by expert panelists.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 504 Texas State Board of Dental Examiners, 304 Comptroller of Public Accounts

LBB Staff: UP, CL, MW, LXH