

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

TO: Honorable Royce West, Chair, Senate Committee on Jurisprudence

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1193 by Campbell (Relating to the powers and duties of the Texas Medical Board and the regulation of certain persons licensed by the board.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1193, As Introduced: 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 (Cost) from General Revenue Fund 1	Probable Revenue Gain from General Revenue Fund 1	Change in Number of State Employees from FY 2013
2014	(\$2,529,080)	\$2,529,080	1.0
2015	(\$2,519,390)	\$2,519,390	1.0
2016	(\$2,519,390)	\$2,519,390	1.0
2017	(\$2,519,390)	\$2,519,390	1.0
2018	(\$2,519,390)	\$2,519,390	1.0

Fiscal Analysis

The bill would amend the Occupations Code relating to the powers and duties of the Texas Medical Board (TMB) and the regulation of certain persons licensed by the board. The bill would

require TMB to provide a physician who is subject of a complaint with a copy of the complaint via personal delivery or certified mail; provide a copy of the complaint without redaction and include a statement of the alleged violation in plain language; deliver a copy of the preliminary and final expert physician reports, including any dissenting or minority reports, to a physician who is the subject of review for a standard of care issues; and provide a physician the name and credentials of each physician who files an expert report. The bill requires TMB to report on the adoption of rules no later than January 1, 2014.

This bill would take effect September 1, 2013.

Methodology

To implement the provisions of the bill, TMB assumes it would have to establish a pool of physician experts who would be willing to perform the reviews and have their identities released to the licensees under investigation. This analysis assumes the reimbursement rate would be \$250 per hour for physician experts reviewing cases. Under this bill, the total would be \$4,918,000 for each fiscal year, which is an increase of \$2,459,000 per fiscal year.

Based on the provisions of the bill, TMB would be required to notify physicians of all jurisdictional complaints. TMB estimates 5,000 physicians per year would need to be notified by certified mail or personal delivery. This analysis assumes the agency would incur postage costs of \$6.11 for mailing each complaint via certified letter. The annual cost for postage, at the current rates, would total \$30,550 each fiscal year. TMB would also require one additional staff to prepare and process the increased volume of certified mail. Salary and benefits cost would total \$29,840 each fiscal year. In addition, TMB estimates one-time start-up costs of \$9,690 in fiscal year 2014 associated with adding a new employee. Consequently, total salary, benefits, and start-up costs for the employee would be \$39,530 in the first year and \$29,840 in subsequent years.

According to the analysis by TMB, implementation of the bill could impact the agency's ability to generate the necessary fee revenue due to the statutory caps on biennial license registration; however, it is assumed that the Board would adjust license fees as necessary to cover any additional costs associated with the implementation of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board

LBB Staff: UP, CL, MW, NV