

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 9, 2015

TO: Honorable Myra Crownover, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB661 by Zerwas (Relating to the Interstate Medical Licensure Compact; authorizing fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB661, As Introduced: a positive impact of \$31,180 through the biennium ending August 31, 2017.

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 |
|-------------|--|
| 2016 | \$40 |
| 2017 | \$31,140 |
| 2018 | \$54,695 |
| 2019 | \$54,695 |
| 2020 | \$54,695 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from General Revenue Fund 1 | Probable Revenue Gain/(Loss) from General Revenue Fund 1 | Change in Number of State Employees from FY 2015 |
|-------------|--|---|--|
| 2016 | (\$228,960) | \$229,000 | 3.0 |
| 2017 | (\$176,460) | \$207,600 | 3.0 |
| 2018 | (\$131,505) | \$186,200 | 3.0 |
| 2019 | (\$131,505) | \$186,200 | 3.0 |
| 2020 | (\$131,505) | \$186,200 | 3.0 |

Fiscal Analysis

The bill would amend the Occupations Code relating to the Interstate Medical Licensure Compact; authorizing fees. The bill enables member states to create the Interstate Medical Licensure Compact Commission in order to maintain and administer the compact. This compact creates a

new pathway for licensure for physicians primarily licensed in Texas and for those who are primarily licensed out of state who wish to also practice medicine in Texas. The bill authorizes a state medical board to charge fees for the issuance and renewal of a Compact license. The bill requires the interstate commission to establish a coordinated information system that includes a database of all physicians with a Compact license. State medical boards that are members of the Compact are required to report licensing and enforcement data to the coordinated information system, which would be shared with other member states.

The bill would take effect September 1, 2015.

Methodology

According to information provided by the Texas Medical Board (TMB), the agency estimates that 100 existing or new physicians per year in Texas would apply for interstate compact licensure, for which the fee would be \$150 (100 x \$150 = \$15,000 per year). The agency also anticipates processing 250 out of state applications for interstate licensure in Texas, for which the fee would be \$856, in fiscal year 2016 (250 x \$856 = \$214,000 in 2016); TMB estimates 225 out of state applications in fiscal year 2017 (225 x \$856 = \$192,600 in 2017); TMB estimates approximately 200 out of state applications per year thereafter (200 x \$856 = \$171,200 per year).

In order to implement the provisions of the bill TMB indicates it would require an additional 3.0 Full-Time-Equivalents (FTEs) each fiscal year in the licensing division (3 License and Permit Specialist II at \$32,742 per FTE per fiscal year) to process applications and complete administrative tasks associated with the new license. TMB estimates the benefits and payroll contributions for these FTEs will total \$33,279 each year (\$66,558 biennially). In addition to salary and other costs associated with these FTEs, TMB estimates one-time start-up costs, including purchase of information technology equipment for the FTEs, would be \$2,470 per FTE in 2016 only (\$7,410 total in 2016). This analysis assumes that any increased costs to the agency, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

The Office of the Attorney General, the Comptroller of Public Accounts, the Office of the Governor, the Office of Court Administration and the Department of Public Safety anticipate any costs related to implementing the provisions of this bill could be absorbed within current appropriations.

Technology

TMB assumes it would need to make changes to the agency's licensure database and website in order to receive and process applications for Interstate Compact licenses. The agency estimates these updates would require 1,500 hours of programming and business process analysis in order to ensure the secure exchange of data with the Interstate Compact Commission and the agency, at an estimated \$90 per hour of consultation and implementation (\$135,000 total). TMB estimates the information technology costs would be divided into approximately \$90,045 in fiscal year 2016 and \$44,955 in fiscal year 2017.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 301 Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 503 Texas Medical Board

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