

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 27, 2015

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB1813** by Kolkhorst (Relating to procedures for complaints filed with the Texas Medical Board against physicians.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1813, As Introduced: an impact of \$0 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	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$2,474,221)	\$2,474,221	1.0
2017	(\$2,464,531)	\$2,464,531	1.0
2018	(\$2,464,531)	\$2,464,531	1.0
2019	(\$2,464,531)	\$2,464,531	1.0
2020	(\$2,464,531)	\$2,464,531	1.0

Fiscal Analysis

The bill would amend the Occupations Code relating to procedures for complaints filed with the Texas Medical Board (TMB) against physicians. The bill would require TMB to provide a physician who is the subject of a complaint with a copy of the complaint via personal delivery or

certified mail. The bill would also require TMB to produce the name and credentials of each physician who files an expert report and a copy of the preliminary and final expert physician reports in standard of care investigations.

The bill would take effect September 1, 2015.

### **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. TMB estimates the cost of professional expert witness reviews to be approximately \$2.4 million each fiscal year.

TMB estimates the need for the authority and \$48,000 in General Revenue funding for a Clerk III full-time equivalent (FTE) position to perform mailing services required by the bill (\$24,000 in General Revenue each fiscal year). The retirement and payroll contribution costs for this FTE are \$8,131 each fiscal year. TMB estimates \$9,690 in one-time startup costs including information technology purchases associated with this FTE in fiscal year 2016 only. TMB estimates the costs associated with higher priority postage to send complaint decisions to be \$32,400 each fiscal year.

According to the analysis by TMB, implementation of this 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, NB, NV, TWh