

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 19, 2019

TO: Honorable Senfronia Thompson, Chair, House Committee on Public Health

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: HB2041 by Oliverson (Relating to the regulation of freestanding emergency medical care facilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2041, As Introduced: a negative impact of (\$654,713) through the biennium ending August 31, 2021. The bill would have an indeterminate impact on penalty revenue, as data is not available for the number of cases of noncompliance.

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
2020	(\$217,461)
2021	(\$437,252)
2022	(\$438,193)
2023	(\$439,153)
2024	(\$440,132)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2019
2020	(\$217,461)	1.0
2021	(\$437,252)	1.0
2022	(\$438,193)	1.0
2023	(\$439,153)	1.0
2024	(\$440,132)	1.0

Fiscal Analysis

The bill would amend the Health and Safety Code as it relates to the regulation of freestanding emergency medical care facilities. The bill would add freestanding emergency medical care facilities to the list of health care facilities from which the Department of State Health Services (DSHS) must capture and report administrative claims data.

The bill would require all administrative penalties collected under Chapter 254 of the Health and Safety Code to be deposited in the state treasury to the credit of the Freestanding Emergency Medical Care Facility Licensing Fund. Under current law, DSHS may impose an administrative penalty on a person licensed to operate a freestanding emergency medical care facility for violating rules under Chapter 254, and this penalty revenue is deposited to General Revenue.

The bill would take effect September 1, 2019.

Note: This legislation 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 in, with, or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code 403.095, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993 and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

To implement the provisions of the bill, DSHS indicates that the agency would need to amend its current contract for collecting freestanding emergency medical care data, update the contracted system, process the administrative claims data, and provide help desk activities. According to LBB analysis of DSHS, to begin the collection of the new claims data by September 1, 2020, these activities would cost \$90,000 in fiscal year 2020, and \$260,000 in subsequent fiscal years.

DSHS indicates that the agency would require one FTE to work with its vendor on data collection, manage the data set, and report information related to the data set. DSHS estimates that this FTE would cost \$60,465 in fiscal year 2020, and \$88,063 in each subsequent fiscal year.

DSHS estimates that other costs associated with the bill, including operating expenses for test client services contracts, capital equipment, and indirect costs from the indirect rate, would be \$66,996 in fiscal year 2020, and \$89,189 in future fiscal years.

According to the Comptroller of Public Accounts, the fiscal impact of the bill on administrative penalty revenue cannot be determined, as the number of cases of noncompliance resulting in penalty revenue is unknown.

The estimated total to comply with the provisions of the bill would be \$217,461 in General Revenue in fiscal year 2020, \$437,252 in fiscal year 2021, \$438,193 in fiscal year 2022, \$439,153 in fiscal year 2023, and \$440,132 in fiscal year 2024.

Technology

Technology costs are estimated to be \$94,134 in fiscal year 2020 and \$264,129 in subsequent fiscal years for FTE seat management activities and updates to the contracted data collection system.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 537 State Health Services, Department of

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