

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 12, 2023

TO: Honorable Sam Harless, Chair, House Committee on Health Care Reform, Select

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2551 by Shaheen (Relating to the licensing and regulation of associate physicians and the authority of an insured to select an associate physician under the insured's health insurance policy; requiring an occupational license.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2551, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$6,846,924)	\$6,846,924	1.0
2025	(\$1,466,912)	\$1,466,912	1.0
2026	(\$1,467,001)	\$1,467,001	1.0
2027	(\$1,467,091)	\$1,467,091	1.0
2028	(\$1,467,182)	\$1,467,182	1.0

Fiscal Analysis

The bill would amend the Occupations Code to create a new associate physician license type issued by the Texas Medical Board (TMB) for medical or osteopathic school graduates who have passed the first two parts of the United States Medical Licensing Examination. The bill establishes further requirements for being eligible for this new license type and requires associate physicians to enter into a collaborative practice agreement before they may practice. The bill would require the TMB to adopt procedures to license associate physicians as physicians if they meet certain requirements. The bill would also require TMB to develop and administer an endorsement exam as a part of the procedures for an associate physician to be licensed as a physician. The bill

would require that TMB adopt rules to provide for the issuance of physician assistant license with no additional requirements for associate physicians who do not satisfy the requirements to be issued a physician license. TMB would also be required to establish rules about expiration of each license type. The bill would also permit insured individuals to select an associate physician to provide their selected services. This bill would be effective September 1, 2023.

Methodology

Based on the analysis of TMB, this estimate assumes that the agency would contract with an outside party for the development and administration of the endorsement exam. The cost to develop the exam, consult on content, conduct quality control and pre-tests, and first administrations of the exam would be \$6,720,000 in fiscal year 2024, with continued administration costs estimated of \$1,344,000 in fiscal years 2025-2028.

This estimate assumes TMB would require an additional full-time equivalent (FTE) position to implement the provisions of the bill. A Training and Development Specialist FTE (annual salary of \$81,780 with \$26,030 in estimated benefits) would be needed to serve the project manager for the new license type and point of contact for exam related matters. This FTE would cost approximately \$117,474 each year with \$9,450 in one-time start-up costs in fiscal year 2024.

This analysis assumes that any increased cost to TMB would be offset by an increase in fee-generated revenue because TMB is statutorily required to generate sufficient revenue to cover its costs of operation. The bill does not establish or authorize a new fee for this new license type so it is assumed that the agency would not be collecting any additional revenue from the implementation of the bill.

Based on the analysis of the Texas Department of Insurance, duties and responsibilities associated with implementing the bill could be accomplished by utilizing existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 503 Texas Medical Board

LBB Staff: JMc, NPe, GDZ, BFa