

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 15, 2023**

**TO:** Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3162** by Klick (Relating to advance directives, do-not-resuscitate orders, and health care treatment decisions made by or on behalf of certain patients, including a review of directives and decisions.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3162, As Engrossed : a negative impact of (\$2,824,532) 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	(\$1,414,414)
2025	(\$1,410,118)
2026	(\$369,420)
2027	(\$369,510)
2028	(\$369,601)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$1,414,414)	1.0
2025	(\$1,410,118)	1.0
2026	(\$369,420)	1.0
2027	(\$369,510)	1.0
2028	(\$369,601)	1.0

**Fiscal Analysis**

The bill would revise rules and procedures that a health care facility would follow if a physician does not follow a patient's advance directive on a health care or treatment decision made by or on behalf of certain patients.

The bill would require health care facilities to prepare and submit a report to the Health and Human Services Commission (HHSC) regarding notification timelines, ethics or medical committee processes, patient status, patient age and characteristics, health insurance coverage details, and public disclosure confirmations. The report must be submitted to HHSC no later than 180 days after the person responsible for a patient's health care

decision is informed in writing of an ethics or medical review committee meeting to discuss a physician's refusal to honor a patient's advance directive. The bill would require HHSC to keep each report submitted by a health care facility confidential.

The bill would require HHSC to publish an annual report on its website with data from hospital reports by April 1 of each year.

The bill would require the HHSC executive commissioner to adopt rules establishing the standard for reporting requirements and to protect and aggregate information that HHSC receives.

### **Methodology**

This analysis assumes that HHSC would require additional staff to update rules for applicable facility types, issue guidance to applicable providers, process and respond to stakeholder inquiries, train internal staff on the bill's provisions and rules adopted to implement the bill, and review any citations in preparation for routing to enforcement. This analysis assumes HHSC would require a 1.0 additional full-time equivalent (FTE) position to implement the bill. Costs for the FTE, including salary and benefits, would total \$123,627 in General Revenue in fiscal year 2024 and \$119,331 in General Revenue in fiscal year 2025.

### **Technology**

The total technology cost is estimated to be \$1,294,001 in General Revenue in fiscal year 2024 and \$1,291,311 in General Revenue in fiscal year 2025. Costs are primarily related to the development of a reporting system to address the reporting requirements required by the bill and includes system development and hardware costs. Other technology costs are personnel-related.

### **Local Government Impact**

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

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 503 Texas Medical Board, 529 Health and Human Services Commission, 537 State Health Services, Department of

**LBB Staff:** JMc, NPe, ER, APA, NV