

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 28, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB666 by Hall (relating to complaint information and to rulemaking and disciplinary procedures of the Texas Medical Board.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB666, Committee Report 1st House, Substituted : 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>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$20,870,961)	\$20,870,961	16.0
2025	(\$20,868,727)	\$20,868,727	16.0
2026	(\$20,870,151)	\$20,870,151	16.0
2027	(\$20,871,591)	\$20,871,591	16.0
2028	(\$20,873,047)	\$20,873,047	16.0

Fiscal Analysis

The bill would amend the Occupations Code to change the procedures of the Texas Medical Board for handling complaints. The bill would restrict complaints about licensees to patients of the license holder or those directly involved in the care of a patient of the license holder. The bill would require that for each complaint that requires a determination of medical competency, the complaint shall be reviewed by a panel of at least 8 expert physician reviewers to each conduct independent reviews of the complaint. The bill would take effect September 1, 2023, unless the bill receives a favorable vote of two-thirds of all members of each chamber in which case it would take effect immediately.

Methodology

This estimate is based on information provided by the Texas Medical Board (TMB). The current remuneration rate of expert physician reviewers by the TMB is \$150 per hour. With an estimated 2,000 cases per fiscal year averaging 8 hours of review each, there would be approximately 16,000 hours of review to be conducted each fiscal year for each reviewer. Under the bill's provisions, at least 8 independent reviewers are necessary for each of the estimated 2,000 cases per year resulting in a total estimated annual cost of \$19.2 million per fiscal year (\$150 per hour x 16,000 hours of review x 8 reviewers).

The agency anticipates difficulty finding available expert physicians, primarily in highly specialized fields, to participate on these expert reviews as they are done on a volunteer basis. To encourage participation, the agency anticipates needing to raise the hourly rate of expert reviewers up to \$500 per hour. This could potentially raise the annual cost for implementing the bill's provisions to \$64 million per fiscal year. Under current law, the Texas Medical Board (TMB) is statutorily required to generate sufficient revenue to cover the cost of the agency's operations. Texas Occupations Code, Section 153.051, limits how much the agency can raise fees to cover the cost of these operations. Based on the analysis of the TMB, the agency would need to raise fees beyond the statutory limits established in the Texas Occupations Code to fully cover the costs to implement the bill's provisions.

This estimate assumes that the agency will require additional staffing to implement the provisions of the bill. It is assumed TMB would require the following 16.0 full-time equivalent (FTE) positions: A Physician I FTE (annual salary of \$191,123 with estimated benefits of \$60,834) to assist the current medical director with the recruitment of the expert physician reviewers, 3.0 Program Specialist VI FTEs (annual salary of \$76,548 with estimated benefits of \$24,365) to act as coordinators compiling the expert opinions, and 12.0 Accountant FTEs (annual salary of \$48,024-\$62,817 with estimated benefits of \$15,286-\$19,994) to process, review, distribute, and reconcile funds related to pay expert reviewers. These FTE positions will have an annual cost of approximately \$1,579,411 with one-time costs of \$81,550.

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.

Technology

This analysis includes an additional IT cost of \$10,000 per year for an additional license of their redaction software as the bill would require the agency to redact identifying information from the complaints before they could be considered by the expert panel.

Local Government Impact

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

Source Agencies: 503 Texas Medical Board

LBB Staff: JMc, NPe, GDZ, BFa