

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 22, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1024 by Kolkhorst (Relating to preventative health care and public health; authorizing a civil penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1024, As Introduced : a negative impact of (\$20,000,355) 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.

Appropriations:

<i>Fiscal Year</i>	<i>Appropriation out of General Revenue Fund 1</i>
2024	(\$9,953,412)
2025	(\$10,046,943)

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$9,953,412)
2025	(\$10,046,943)
2026	(\$4,345,097)
2027	(\$4,345,457)
2028	(\$4,345,821)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$9,953,412)	3.0
2025	(\$10,046,943)	3.0
2026	(\$4,345,097)	3.0
2027	(\$4,345,457)	3.0
2028	(\$4,345,821)	3.0

Fiscal Analysis

This bill would require the Department of State Health Services (DSHS) to create a publicly accessible website for reporting into a state operated system for collecting vaccine adverse events. The system would be used for the general public and health care providers to report all instances of adverse events as a result of receiving a vaccine. Appropriate licensing authorities would be authorized to impose disciplinary actions on a health care practitioner who violates reporting requirements.

According to the Health and Human Services Commission (HHSC), a prohibition of the face mask requirement could limit the ability for HHSC-Medicaid CHIP Services and Medicaid Managed Care Organizations (MCOs) to contract with medical facilities that have infection prevention and control policies, possibly limiting Medicaid access to providers. Federally certified facilities must comply with federal regulations.

A governmental or private entity that violated the prohibition on face mask requirement would be subject to civil penalties.

The bill would prohibit a health care facility from refusing to provide health care services due to an individual's vaccination status or post-transmission recovery of a communicable disease. HHSC would be prohibited from providing Medicaid reimbursements to a violating health care facility and would be required to disenroll facilities from participation as a Medicaid provider.

Methodology

A new database at DSHS would need to be developed for providers and the public to report adverse reactions to vaccines. According to DSHS, the new system would take approximately two years to complete. The database would require an additional 3.0 full-time equivalent (FTE) positions including a 1.0 FTE Data Administrator IV position to administer the new database, and 1.0 FTE System Analyst IV and 1.0 FTE System Analyst VI positions for continued support for the new application.

HHSC would require an additional 1.0 FTE to update rules, provide guidance and technical assistance to providers, and to train staff. It is assumed that any costs associated with the bill can be absorbed using existing resources.

According to the Comptroller of Public Accounts, violations that would result in administrative and civil penalty revenue is unknown; therefore, the fiscal impact to the state cannot be determined.

According to the Texas Medical Board, imposing disciplinary actions on a licensee in violation of the bill could result in more complaints. It is assumed that any costs associated with the bill can be absorbed using existing resources.

According to the Texas Education Agency and the Texas Workforce Commission, it is assumed that any costs associated with the bill can be absorbed using existing resources.

Technology

This analysis assumes DSHS would have \$8.6 million in each fiscal year of the biennium for system development needs and \$1.0 million in each fiscal year of the biennium for infrastructure related to the development of a new database. Including technology costs for 3.0 FTEs, total technology costs are assumed to be \$9.6 million in each fiscal year of the biennium.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 503 Texas Medical Board, 529 Health and Human Services Commission, 537 State Health Services, Department of, 701 Texas Education Agency

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