

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

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

**March 14, 2023**

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

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

**IN RE: SB1197** by Hall (Relating to hospital reporting requirements regarding suspected child abuse, exploitation, or neglect; authorizing an administrative penalty.), **As Introduced**

The component of the bill related to administrative penalty revenue cannot be determined because it is unknown how many violations would result from the legislation.

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1197, As Introduced : a negative impact of (\$1,634,577) 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	(\$1,138,325)
2025	(\$496,252)
2026	(\$496,608)
2027	(\$496,968)
2028	(\$497,332)

**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	(\$1,138,325)	4.0
2025	(\$496,252)	4.0
2026	(\$496,608)	4.0
2027	(\$496,968)	4.0
2028	(\$497,332)	4.0

## **Fiscal Analysis**

The bill would require hospitals to provide reports to the Health and Human Services Commission (HHSC) on information related to abuse, exploitation, or neglect of a child. The bill would allow HHSC to impose an administrative penalty on a hospital that is in violation of the reporting requirements required by the bill. The bill would require an administrative penalty to be deposited to the credit of an account in the General Revenue Fund administered by HHSC. The bill would require HHSC to submit a written quarterly report to the Legislature summarizing the abuse, exploitation, and neglect reports. The bill would take effect September 1, 2023.

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 the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## **Methodology**

HHSC reports costs and additional full-time-equivalents (FTE) would be needed to collect and analyze the reports required by the bill. This analysis assumes HHSC would need additional staff as follows to implement the bill: 1.0 Program Specialist V for enforcement reviews and to handle referrals; 2.0 Program Specialist VI to issue guidance to providers and collect and summarize the monthly reports provided by hospitals; and 1.0 Data Analyst V to provide analytics and data custodian support. Analysis assumes a total of 4.0 FTEs are needed in each fiscal year from fiscal year 2024 through fiscal year 2028. Personnel related costs, including salaries, travel, and software are estimated to total \$512,937 in All Funds in fiscal year 2024 and \$496,252 in All Funds in fiscal year 2025.

This analysis does not include the revenue impact associated with the penalties permitted by the bill. The revenue impact of the bill would be dependent on the number of hospitals in violation of the reporting requirements established by the bill. According to information provided by HHSC, as many as 648 general or special hospitals would be required to submit the monthly reports and could be subject to penalties. Penalties administered by HHSC could be used to help offset the cost of implementing the bill.

It is assumed the Department of Family and Protective Services can perform the functions of the bill with existing resources.

## **Technology**

The total technology cost is estimated to be \$635,553 in fiscal year 2024 and \$2,095 in fiscal year 2025. Costs are primarily related to an estimated \$625,388 in All Funds to make modifications to the Texas Unified Licensure Information Portal to allow hospitals to submit the monthly reports required by the bill.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of

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