LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 19, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2038** by Oliverson (Relating to the issuance by the Texas Medical Board of certain licenses to practice medicine and the authority of an insured to select certain license holders under the insured's health policy; requiring an occupational license; authorizing fees.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2038, As Engrossed: a positive impact of $39,170 through the biennium ending August 31, 2027.

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:

Fiscal Year	**Probable Net Positive/(Negative) Impact to** ***General Revenue Related Funds***
2026	$19,585
2027	$19,585
2028	$19,585
2029	$19,585
2030	$19,585

All Funds, Five-Year Impact:

Fiscal Year	**Probable Savings/(Cost) from** ***General Revenue Fund*** **1**	**Probable Revenue Gain/(Loss) from** ***General Revenue Fund*** **1**	*Change in Number of State Employees from FY 2025*
2026	($173,690)	$193,275	2.0
2027	($173,690)	$193,275	2.0
2028	($173,690)	$193,275	2.0
2029	($173,690)	$193,275	2.0
2030	($173,690)	$193,275	2.0

Fiscal Analysis

The bill would amend the Texas Occupations Code to require the Texas Medical Board (TMB) to issue provisional licenses to practice medicine to certain foreign applicants who have been granted a medical degree, or a similar degree, and have been licensed in good standing in another country. TMB would have the choice to issue either a standard license or another provisional license to a provisional license holder if the licensee meets certain criteria. The provisional licenses would expire two years after the issuance of the provisional license.

The bill would require TMB to licenses certain military veterans who are licensed in good standing in another state, retired from the military no more than three years before applying for a license, and have passed the Texas medical jurisprudence examination. TMB would not be required to issue a license if the individual was discharged for certain reasons, holds a medical license to prescribe a controlled substance that is under active investigation or subject to denial by another jurisdiction, or has been convicted, on deferred adjudication, or under investigation for a felony or certain misdemeanors.

The bill would require TMB to issue limited licenses to practice medicine to medical school graduates who have no matched into a residency program and authorizes a fee. these graduates would be able to practice a limited scope of medicine under a supervising practice agreement with a sponsoring physician in counties with a population of less than 100,000.

The bill would take effect September 1, 2025.

Methodology

Based upon analysis provided by the Texas Medical Board (TMB), this estimate assumes that the agency will require 2.0 additional License and Permit Specialist positions ($57,851 each year with $17,309 in estimated benefits) to address the increased amount of licensure applications while maintaining current licensing processing times. This estimate assumes an additional annual cost of $23,370 for equipment and operating expenses related to the additional staffing position.

Based upon analysis provided by TMB and the Comptroller of Public Accounts, this estimate assumes that 200 individuals would apply each year for the foreign applicant provisional license and will pay a one-time application fee of $552 per applicant, resulting in $110,400 in annual revenue to the credit of the General Revenue Fund. Additionally, this estimate assumes that 170 individuals would apply each year for the graduate limited license and would pay a $220 application fee and a $267.50 registration fee for a license term of two years, resulting in annual revenue of $82,875 to the credit of the General Revenue Fund. This estimate assumes there will be no renewal applications and that all graduate limited licensees will enter into a residency program before they would need to renew their limited license.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 503 Texas Medical Board

LBB Staff: JMc, NPe, BFa, GDZ