

Agency Fiscal Note Cost Estimate

Cost Estimate for SB313 As Passed 2nd House

Caption:	Relating to the continuation and functions of the State Board of Dental Examiners; imposing fees.
Agency:	504 - Board of Dental Examiners
Agency Analyst:	Leticia Kappel
Request Date:	5/18/2017 1:26:00 PM
Due Date:	5/18/2017 6:00:00 PM
Hearing Date:	3/20/2017 8:30:00 AM
Current Status:	Open
Completion Date for Cost Estimate:	
LBB Coordinator:	Karen Carlson, Wk. #: 463-1177 , Email: Karen.Carlson@lbb.state.tx.us
LBB Analyst:	Elizabeth Krog, Wk. #: 463-5610 , Email: Elizabeth.Krog@lbb.state.tx.us
List of Other Agencies:	116 Sunset Advisory Commission

Incremental Changes:

Bill Summary/Fiscal Analysis:

SB313 relates to the continuation and functions of the Texas State Board of Dental Examiners (TSBDE). The TSBDE's mission is to license competent dental professionals, regulate licensees, and enforce the Dental Practice Act for the ultimate protection of the public.

Fiscal Impact:

The agency designates at least five specific areas of the bill that will have a significant financial impact on the agency. The agency requests additional full time employees, program implementation costs, program maintenance costs, technology costs and other expenses as necessary to implement the new authority and functions as proposed in this legislation. The agency will increase licensing fees and permitting fees to decrease the fiscal impact to the state.

Methodology:

The agency designates five specific sections of the bill that will require additional funding and additional employees. The specific sections are referenced below with a brief explanation and methodology.

Originally, in SB 313, Section 258.1521 created the Advisory Committee on Dental Anesthesia. This

provision remains in CSSB313 but the committee composition was changed slightly. The substitute bill suggests that the committee will now consist of six members: five dentists and one medical anesthesiologist. This committee is required to report to the board at least annually. The agency anticipates increased travel costs for the utilization of this committee. The agency estimates that the committee will meet for at least two two-day meetings in its first year of establishment and at least twice every year thereafter. The agency estimates the average costs for travel, lodging and authorized diem at \$500 per member, per day. These projected costs total \$2,000 per member for the first year of the committee. The agency estimates the six-member committee's annual travel costs as \$18,000 or \$36,000 biennially

Section 258.155, Annual Permit Required, relates to the issuance and renewal of anesthesia permits. Currently, and consistent with this proposed legislation, dentists may only apply for an anesthesia permit after having a dental license. The anesthesia permits require additional education, training and continuing education. Note, HB 1055 may prohibit the board from increasing anesthesia permit renewal fees as needed to offset the cost to the state for the continuous anesthesia permitting and inspection program.

Originally, in SB 313, **Section 258.156, Inspections**, the proposed legislation suggested the agency conduct pre-permit inspections and requires the agency to conduct routine inspections (once every five years) on anesthesia permit holders who maintain a level 2 through level 4 permit. The legislation also requires the agency to conduct random inspections as necessary.

In CSSB313, this section has been amended to require the board to conduct inspections of permit holders (L2-L4) by the first anniversary of the permit issuance date. Additionally, it states the board has the authority to adopt a risk based inspection policy for conducting inspections in rules. There will be no grandfathering of permit holders. Therefore, every current permit holder will need to be inspected once, then new permit holders within the year time frame, and then additional as the board deems appropriate. This may mean the board elects to perform routine inspections (as suggested in the original language) or on a random basis (random sampling). Note, the agency does not currently conduct inspections directly related to anesthesia permit holders. This would be an entire new program at the agency. This program will require significant funding and staffing. Tracking and monitoring the inspections program would require updates to the current database. The vendor has quoted a cost estimate of \$50,000 for upgrades. There is also a Mobile Inspection Module which would be an additional fee but a quote has not yet been provided. TSBDE estimates the mobile fee to be approximately \$20,000. If most of the fees generated could be returned to the agency through appropriations, the costs of the program would offset the fiscal impact to the state.

The following is information on current anesthesia permits and fees, including the Nitrous permit added in CSSB313, and the agency's fees and the agency's suggested increased annual permitting fees that would include an inspection fee. Again, it should be acknowledged that HB1055 may prohibit the agency from increasing annual renewal and permitting fees. (Note: these fees are in addition to the annual renewal fee.)

<u>Level of Anesthesia Permit</u>	<u>Current Fee</u>	<u>Suggested Increased Fee</u>	<u>Comment</u>
Nitrous	\$12	\$25	CSSB313 addition (HB1055 would

			affect this renewal increase.)
Minimal Sedation: Nitrous/Level I	\$32 initial permit \$10 renewal fee	\$150 initial permit \$50 renewal fee	No routine inspection requirement but subject to random inspections. (HB1055 would affect this renewal increase.)
Moderate Sedation: Level 2-3	\$60 initial permit \$10 renewal fee	\$750 initial permit (includes \$250 application fee and \$500 for the first inspection fee) \$150 annual renewal fee	The \$150 renewal fee over five years would potentially cover the cost of processing the renewal and the \$500 inspection during each cycle. (HB1055 would affect this renewal increase.)
Deep/General Sedation: Level 4	\$60 initial fee \$10 renewal fee	\$750 initial permit (includes \$250 application fee and \$500 for the first inspection fee) \$150 annual renewal fee	The \$150 renewal fee over five years would potentially cover the cost of processing the renewal and the \$500 inspection during each cycle. (HB1055 would affect this renewal increase.)

The agency estimates that around 5,000 dentists hold a level 2 through level 4 permits and would require at least one inspection since there is no grandfathering clause in the proposed legislation. The agency estimates that approximately 350 inspections would be conducted annually (200 new, 150 risk-based scheduled or for compliance purposes).

In order to efficiently implement the inspection program as suggested in the SB313, Section 258.156, the agency requests additional full time employees. The agency cannot fully conduct inspections as suggested with the current staffing size. The agency estimates that approximately 6 inspectors (four for initial inspections, two for risk-based/compliance) will be needed. The agency requests six inspectors at \$50,000 annual salary, for a total annual salary amount for six inspectors being approximately \$600,000 for the biennium. Inspector positions will require nearly 100% travel. The agency estimates each inspection will carry average travel costs of \$100. Some inspections will require

lower travel costs.

The agency also requires additional administrative staff to assist inspectors with scheduling inspections, coordinating inspection information, monitoring compliance, continuing education audit triggered inspections, follow-ups, organization, the collection of data, and handling compliance issues related to inspections in the Austin office. The agency will need at least two full time employees, classified as Administrative Assistants at an annual salary of \$35,000 each.

The agency believes that certain findings of some inspections may trigger investigations. The agency anticipates an increase of cases being investigated and processed through the Legal Division involving anesthesia related violations. Therefore, the agency requests consideration for an additional Staff Attorney at an annual salary of \$60,000/\$120,000 biennially.

CSSB313, specifically in Section 258.1552 Jurisprudence Examination, requires the board to develop and administer an additional online jurisprudence examination to determine a permit holder's knowledge of anesthesia rules. After development of the exam, the exam would most likely be done electronically and similar to our current jurisprudence program through Estrategies. Permit holders will also be required to take this exam once every five years. The exam will need updates based on changes in rules, policies or protocols. Our current jurisprudence exam does not have a fee associated with it. However, costs could be offset by charging a minimum \$25 each time the exam is taken. Next, the proposed legislation also establishes a District Review Committee in Section 263.0071. The District Review will consist of nine members: six dentists and three hygienists. The members will assist with evaluation of dental practice and professional competency at Informal Settlement Conference (ISCs) alongside a sitting board member. The ISCs require a panel of two professionals unless waived by the Respondent. One panel member must be a dentist board member.

Implementation of the legislation will require training costs for the District Review Committee (DRC) as well as on-going travel costs for Board members and District Review Committee members to support ISC program. The training costs are estimated at \$1,500 per member of the DRC or \$13,500 in FY2018. This cost includes the costs of travel and doing for three days of training, including observation of ISCs and hands-on training.

The agency expects to convene 50 days of ISCs in FY2018. ISCs are scheduled for two consecutive days to minimize travel cost of the Board members and DRC members. The agency estimates the average travel costs for each day of ISC as \$1,000. To conduct 40 days of ISCs in a fiscal year, the agency estimates a total annual cost of \$50,000 for travel for ISCs or \$100,000 for ISC travel biennially. If the agency utilizes videoconferencing to engage one-member of the two-member panel, as allowed by the proposed legislation, the average travel costs for each day of ISC would reduce to \$500 for each day of ISC. This would result in a total estimated ISC travel costs of \$25,000 annually, or \$50,000 biennially. However, establishing videoconferencing for the Board members and the DRC would require startup costs estimated at \$150 for each member of the Board or DRC.

Initially in SB 313 specifically in section 263.0015, Registration Required for Certain Dental Acts, required official registration of a dental assistant if the assistant performs the following duties: pit and fissure, coronal polishing, dental x-rays and monitoring of the administration of nitrous oxide. Currently, the agency issues four separate certificates for four separate fees. However, in CSSB313 Sec. 265.001, Registration Required for Certain Dental Acts, only two certificates are being combined

for the requirements of registration – dental x-ray and Nitrous Oxide monitoring.

Abolishing the Pit & Fissure and Coronal Polishing certificates would be a reduction in general revenue. In FY2015, our agency collected \$9,784 for coronal polishing certificates and in FY2016 collected \$4,650. Similarly, in FY2015, our agency collected \$54,622 for pit and fissure sealants and in FY2016 collected \$55,645. Therefore, abolishing these certificates would reduce biannual, general revenue by at least \$125,000.

Current Permits/Fees

Pit & Fissure \$30

Coronal Polishing \$12

\$100 initial application (includes all permit fees and processing)

X-ray \$36

Nitrous Oxide Monitoring \$12

Suggested \$100 initial application (includes all permit fees and processing)

Current: Renewal \$32/ Suggested Renewal \$50

The proposed legislation also suggests transitioning from an annual renewal to a biennial renewal for dental assistants to create efficiency in the office. The agency requested and received a quote from the database vendor. The proposed changes will costs the TSBDE \$75,000 to \$95,000.

Technology:

	2018	2019	2020	2021	2022
Technology Impact	\$19,840	\$5,000	\$5,000	\$5,000	\$5,000

Summary of Fiscal Implications

	2018	2019	2020	2021	2022
1 - Probable Gain to General Revenue Fund	\$1,525,000	\$1,525,000	\$1,525,000	\$1,525,000	\$1,525,000
1 - Probable Loss to General Revenue Fund	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)
1 - Probable Savings to General Revenue Fund					
1 - Probable Cost to General Revenue Fund	(\$955,366)	(\$750,146)	(\$751,844)	(\$753,557)	(\$758,288)

FTEs

	2018	2019	2020	2021	2022
FTEs	9	9	9	9	9

Cost to the State

Personnel Services

Salary Group	Position Title	FTEs Req	2018	2019	2020	2021	2022
B21	Attorney II	1	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
A11	Administrative Assistant II	2	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
B17	Inspector V	6	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Total (also reflected below):			\$430,000	\$430,000	\$430,000	\$430,000	\$430,000

Other Expenses

	2018	2019	2020	2021	2022
Total salaries and wages (from Personnel Services Schedule)	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000
Professional Services					
Travel	\$156,000	\$157,680	\$159,378	\$161,091	\$162,822
Rent					
Other operating expense	\$13,500				
Equipment					
Employee retirement, OASI & group ins. cost (35.12% of salary cost)	\$151,016	\$151,016	\$151,016	\$151,016	\$151,016
Agency Payroll Contribution cost (1.5% of salary cost)	\$6,450	\$6,450	\$6,450	\$6,450	\$6,450
Total:	\$756,966	\$745,146	\$746,844	\$748,557	\$750,288

Method of Financing

	2018	2019	2020	2021	2022
1 - General Revenue Fund	\$955,366	\$750,146	\$751,844	\$753,557	\$758,288
555 - Federal Funds					
Total:	\$955,366	\$750,146	\$751,844	\$753,557	\$758,288

Local Government Impact:**Comments:**

Note, the Texas State Board of Dental Examiners (TSBDE) requested in its exceptional items in the Legislative Appropriations Request to keep three full time employees (Two Administrative Assistants and one Investigator) for the purpose of immediate and needed attention on dental anesthesia/sedation with already allocated funds to the agency. However, the exceptional item request to keep the three full time positions has been denied in both the House Appropriations Committee and Senate Finance Committee. The agency is specifically requesting to keep 58 full time employee positions and add an additional 6 for the anesthesia inspection program, making total FTEs to 64 instead of 58.

Amend **SB 313** (house committee report) on page 31, by striking line 10 and substituting the following:

(b) Members of the committee serve staggered six-year terms, with the terms of three members expiring on February 1 of each odd-numbered year.