

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1173 – SB 1262

April 18, 2011

SUMMARY OF AMENDMENT (005504): Deletes the original bill. Authorizes state public colleges and universities to establish and operate clinical and dispensary programs in speech pathology, speech therapy, and audiology. States that it is the intent of the General Assembly that these programs should not directly compete with private hearing device retailers by advertising or marketing their programs' services to the public. Authorizes these programs to receive patient referrals, to treat patients, and to dispense hearing aids to their patients. Requires state public colleges and universities operating these clinics and dispensing services to annually report activities related to these programs to the Tennessee Higher Education Commission (THEC).

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$375,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- According to the Tennessee Board of Regents (TBR) and the University of Tennessee (UT), the University of Memphis, East Tennessee State University, and the University of Tennessee Health Science Center (UTHSC) will purchase and then resell hearing aids at double the cost of the initial purchase.
- The two TBR institutions will purchase hearing aids at a cost of \$1,000 and resell them for \$2,000. TBR estimates that approximately 150 hearing aids will be purchased and sold each year, an increase in net revenue of \$150,000 [$(\$2,000 - \$1,000) \times 150$].
- The UTHSC will purchase hearing aids at a cost of \$900 and resell them for \$1,800. UTHSC estimates that 250 will be purchased and sold each year, an increase in net revenue of \$225,000 [$(\$1,800 - \$900) \times 250$].
- Total increase in net state revenue will be \$375,000 ($\$150,000 + \$225,000$).

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- No significant increase in state expenditures to make reports to THEC.
- TBR and UT will not advertise these services to the public.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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