

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 2468 – SB 2445

April 5, 2016

SUMMARY OF ORIGINAL BILL: Authorizes a healthcare provider and a government contractor to enter into a contract to provide volunteer healthcare services to low-income patients. Requires the Department of Health (DOH) to establish a quality assurance program to monitor the provision of volunteer healthcare services and to annually report, no later than January 1, to the Speaker of the Senate, the Speaker of the House of Representatives, the Minority Leaders of both Houses of the General Assembly, the Chair of the Health and Welfare Committee of the Senate, and the Chair of the Health Committee of the House of Representatives. Requires the DOH to maintain a list of all healthcare providers authorized to provide volunteer healthcare services under this chapter on the Department's website. Authorizes the DOH to promulgate rules for purposes of implementing this chapter.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$13,700/One-Time
\$264,400/Recurring

SUMMARY OF AMENDMENT (015024): Deletes all language of the original bill. Authorizes a healthcare provider to enter into a contract with a government contractor to provide volunteer healthcare services or to supervise a professional providing volunteer healthcare services to low-income patients. Requires healthcare providers to report to the DOH quarterly. Directs the DOH to annually report to the Speaker of the Senate, the Speaker of the House of Representatives, the Minority Leaders of both Houses of the General Assembly, the Chair of the Health and Welfare Committee of the Senate, and the Chair of the Health Committee of the House of Representatives on the services provided to low-income patients no later than February 1 of each year. Requires the DOH to maintain a list of all healthcare providers authorized to provide volunteer healthcare services under this chapter on the Department's website. Authorizes the DOH to promulgate rules for purposes of implementing this chapter.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On March 29, 2016, a fiscal memorandum was issued stating an estimated fiscal impact of:

*Increase State Expenditures - \$4,300/One-Time
\$66,400/Recurring*

HB 2468 – SB 2445 (CORRECTED)

This impact did not account for the possible incurred liability to the Risk Management Fund and was in error. Based on additional information provided by the Department of Treasury, the fiscal impact is estimated to be as follows:

(CORRECTED)

**Increase State Expenditures - \$4,300/One-Time
\$66,400/Recurring**

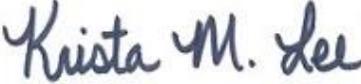
Other Fiscal Impact – Due to a number of unknown factors, the exact fiscal impact including the timing of such impact to the Risk Management Fund cannot be quantified. Any medical malpractice claim filed against the fund as a result of the provisions of the bill as amended are estimated to exceed \$100,000 in payments from the Risk Management Fund.

Corrected assumptions for the bill as amended:

- Based on information provided by the Department of Health, the requirements of the proposed legislation cannot be performed within existing resources.
- The DOH will need to hire one Administrative Services Assistant 4 position to implement the requirements of the proposed legislation which include working with government contractors, maintaining the website, completing the annual report, and ensuring the required quarterly reports are received on time.
- The one-time increase in state expenditures associated with the additional position is estimated to be \$4,300 (\$1,600 computer setup + \$2,700 office furniture).
- The recurring increase in state expenditures associated with the additional position is estimated to be \$66,386 (\$47,148 salary + \$17,238 benefits + \$1,400 communications + \$600 supplies).
- Based on information provided by the Department of Commerce and Insurance, the proposed legislation will not have any effect on the department's programs or operations; any fiscal impact to the department will be not significant.
- The volunteer healthcare providers are granted immunity from liability or civil damages for any act or omission resulting from the rendering of volunteer health care services except as provided under Tenn. Code Ann. Title 9, Chapter 8, part 3.
- Based on information provided by the Department of Treasury, any impact to the Risk Management Fund is dependent upon the number of volunteers who are contracted with, the nature of the services performed by the volunteers, and the frequency and severity of the claims.
- The number of medical malpractice claims, the timing of such claims, or the amount of losses resulting from such claims cannot be quantified. Based on the open claims for medical malpractice liability coverage in FY14-15, it is reasonably assumed that any paid claim will result in losses exceeding \$100,000.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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