

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 851 - HB 1100

March 30, 2016

**SUMMARY OF ORIGINAL BILL:** Requires any accountable care organization (ACO) that provides diagnosis and treatment for patients in this state to establish a clinical laboratory testing advisory board to consider and recommend guidelines or protocols for clinical laboratory testing. Authorizes a clinical laboratory testing advisory board to make recommendations to the ACO governance board for guidelines or protocol adoption for clinical laboratory testing used for diagnostic purposes, disease management, and pathologist consultation on episodes of care. Establishes that the definition of ACO is equal to that subscribed to in Section 3022 of the federal Patient Protection and Affordable Care Act, which defines an ACO as a business that coordinates groups of providers of services and suppliers meeting criteria specified by the Secretary of Health and Human Services.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENTS (013295, 015238):** Amendment 013295 changes the effective date from July 1, 2015, to July 1, 2016.

Amendment 015238 deletes and replaces language in the bill, effectively removing the requirement that the ACO clinical laboratory testing advisory board include one member physician who is legally affiliated with the ACO.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

**Unchanged from the original fiscal note.**

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Assumptions for the bill as amended:

- An ACO is a group of doctors, hospitals, and other health care providers who come together voluntarily to give coordinated high-quality care to Medicare patients.
- Requiring each ACO to form a clinical laboratory testing advisory board will have no significant impact on the state.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumption for the bill as amended:

- It is unknown if ACOs will incur additional expenses related to establishing a clinical laboratory testing advisory board; however, any increase in business expenses is assumed to be not significant.

## **CERTIFICATION:**

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



Krista M. Lee, Executive Director

/jdb