

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 541 - SB 1390

February 28, 2019

**SUMMARY OF BILL:** Removes the requirement to obtain a certificate of need (CON) for cardiac catheterization as a healthcare service and for the establishment of a satellite emergency department facility established by a hospital at a location other than the hospital's main campus.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue -- \$89,700/Health Services and Development Agency**

**Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 68-11-1623(b), the Health Services Development Agency (HSDA) is required to be self-sufficient. As of February 22, 2019, the HSDA's account balance is estimated to be approximately \$400,000 with an additional reserve fund balance of approximately \$1,100,000. The HSDA may increase fees for other certificate of need applicants in the future, if necessary, to remain self-sufficiency.**

Assumptions:

- Based on information provided by the Health Services and Development Agency (HSDA), over the past four years, HSDA has received \$346,695 in application fees for satellite emergency department facilities, estimated to be \$86,674 per year, and approximately \$3,000 per year in cardiac catheterization applications.
- The total decrease in state revenue is estimated to be \$89,674 (\$86,674 + \$3,000) for FY19-20 and subsequent years.
- Pursuant to Tenn. Code Ann. § 68-11-1623(b), the HSDA is required to be self-supporting. Fees are to be adjusted as necessary to provide that the HSDA account is fiscally self-sufficient and that revenues from fees do not exceed necessary and required expenditures. The proposed legislation could result in an increase in fees.
- Based on information provided by the Department of Health, the department can review facility plans and conduct initial health and life safety inspections of any new freestanding emergency departments utilizing existing resources without an increased appropriation or reduced reversion.

**IMPACT TO COMMERCE:**

**Decrease Business Expenditures - \$89,700**

Assumption:

- The proposed legislation will result in a recurring decrease in business expenditures of \$89,674 for hospitals.

**CERTIFICATION:**

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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