

**4.F. Part A Budgetary Impacts Related to Recently Enacted State Legislation Schedule**

85th Regular Session, Fiscal Year 2018 Operating Budget  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017

TIME: 10:58:54AM

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Agency code: 537

Agency name: Department of State Health Services

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**Exp 2017**

**Bud 2018**

**Est 2019**

**Est 2020**

**Est 2021**

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**Expanded or New Initiative:**

1.X-ALD Testing Startup

**Legal Authority for Item:**

85th Legislature, Regular Session, S.B. 1

Health and Safety Code, Chapter 33 Sec. 33.011(a-1) requires newborn screening for disorders (core and secondary) listed on the Recommended Uniform Screening Panel, to the extent funding allows.

**Description/Key Assumptions (including start up/implementation costs and ongoing costs):**

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<p>S.B.1 appropriated \$1.2M for startup costs of X-ALD testing. No appropriation of GR or revenue from the test has been provided for implementation. Therefore, FY20-21 assumes no funds are spent on the test due to insufficient funding.</p> <p>Funding is sufficient to support startup, validation study testing, 3new FTEs&amp; related expenses,&amp;approx 10days of testing.</p> <p>Newborn screening fee increase of \$5/kit for paid kits to cover X-ALD screening expected to be effective 9/1/19. The 2017 Medicare allowable for X-ALD screening is \$24.70/specimen. The Lab must receive \$5/kit minimum to cover cost of screening.</p> <p>Estimates based on testing technologies using PerkinElmer(PE) Neobase 2 kit:</p> <ul style="list-style-type: none"> <li>•1st-tier: Using existing tandem mass spectrometers(MSMS)</li> <li>•2nd-tier: Using liquid-chromatography tandem mass spectrometry(LCMSMS)</li> <li>•3rd-tier: Sequencing analysis</li> </ul> <p>Assume 1st-tier kit will be FDA approved&amp;available before 9/1/18.</p> <p>Specimen load based on CY16 numbers+1.7% growth/year=~810Kspecimen in FY18&amp;19.</p> <p>Specimen assumptions:</p> <ul style="list-style-type: none"> <li>•1st-tier:100%(~810,000)</li> <li>•2nd-tier:2.5%(~20,250)</li> <li>•3rd-tier:0.019%(~154)</li> </ul> <p>Validation study tests assumptions:</p> <ul style="list-style-type: none"> <li>•1st-tier:~200,000</li> <li>•2nd-tier:5,000</li> <li>•3rd-tier:38</li> </ul> <p>MSMS estimate based on PE reagent kit of \$1.50/specimen for X-ALD testing considering retests&amp;controls/standards.</p> <p>LCMSMS estimate for reagents &amp; supplies is \$5/specimen.</p> <p>Assume existing Lab funding is available to cover FY19 LIMS&amp;instrument maintenance contract.</p> <p>Assume APHL grant will cover some costs. APHL will reimburse DSHS after completion of deliverables. Therefore, upfront funding is needed.</p> <p>Approx of specimens tested:</p> <ul style="list-style-type: none"> <li>•Paid 37%</li> <li>•Medicaid 58%</li> <li>•Not Covered 5%</li> </ul> <p>DSHS would not be able to go live on 9/1/19 without additional funding. If funded the est annual expense is \$4M(\$5kitX800K test);FY20(\$2.7M GR,\$0.7M GRD,&amp;\$0.6M Other) and FY21(\$0.2M GR,\$1.5M GRD&amp;\$2.3M Other). The GRD &amp; Other funds would be new revenue for the state. DSHS would need appropriations to use these funds.</p>					
<b>State Budget by Program:</b>	X-ALD Testing Startup				
<b>IT Component:</b>	Yes				
<b>Involve Contracts &gt; \$50,000:</b>	Yes				
<b>Objects of Expense</b>					
<b>Strategy: 1-4-1 LABORATORY SERVICES</b>					
1001 SALARIES AND WAGES	\$0	\$17,760	\$187,126	\$0	\$0

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	<b>Exp 2017</b>	<b>Bud 2018</b>	<b>Est 2019</b>	<b>Est 2020</b>	<b>Est 2021</b>
1002 OTHER PERSONNEL COSTS	\$0	\$710	\$7,485	\$0	\$0
2001 PROFESSIONAL FEES AND SERVICES	\$0	\$30,000	\$39,394	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$0	\$126,456	\$457,638	\$0	\$0
5000 CAPITAL EXPENDITURES	\$0	\$333,431	\$0	\$0	\$0
<b>SUBTOTAL, Strategy 1-4-1</b>	<b>\$0</b>	<b>\$508,357</b>	<b>\$691,643</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, Objects of Expense</b>	<b>\$0</b>	<b>\$508,357</b>	<b>\$691,643</b>	<b>\$0</b>	<b>\$0</b>
 <b>Method of Financing</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Strategy: 1-4-1 LABORATORY SERVICES</b>					
1 General Revenue Fund	\$0	\$508,357	\$691,643	\$0	\$0
<b>SUBTOTAL, Strategy 1-4-1</b>	<b>\$0</b>	<b>\$508,357</b>	<b>\$691,643</b>	<b>\$0</b>	<b>\$0</b>
<b>SUBTOTAL, GENERAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$508,357</b>	<b>\$691,643</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, Method of Financing</b>	<b>\$0</b>	<b>\$508,357</b>	<b>\$691,643</b>	<b>\$0</b>	<b>\$0</b>
 <b>FULL-TIME-EQUIVALENT POSITIONS (FTE)</b>					
<b>Strategy: 1-4-1 LABORATORY SERVICES</b>					
<b>TOTAL FTES</b>	<b>0.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>

**Description of IT Component Included in New or Expanded Initiative:**

Modifications to existing IT Systems, Perkin Elmer SpecimenGate and Neometrics.

**Is this IT component a New or Current Project?** Current

**FTEs related to IT Component?**

<b>Exp 2017</b>	<b>Bud 2018</b>	<b>Est 2019</b>	<b>Est 2020</b>	<b>Est 2021</b>
0.0	0.0	0.0	0.0	0.0

**Proposed Software:**

Proposed Software: PerkinElmer SpecimenGate and Neometrics

Proposed Hardware: N/A

Software is scalable only within the FY 18/19 biennium in order to meet the 9/1/19 go live date.

**Proposed Hardware:**

Proposed Software: PerkinElmer SpecimenGate and Neometrics

Proposed Hardware: N/A

Software is scalable only within the FY 18/19 biennium in order to meet the 9/1/19 go live date.

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**Exp 2017      Bud 2018      Est 2019      Est 2020      Est 2021**

**Development Cost and Other Costs:**

Other Costs:  
FY 2018 - \$20,000  
FY 2019 - \$34,394  
Total - \$54,394

Modification of PerkinElmer SpecimenGate and Neometrics.

**Type of Project:**

Daily Operations

**Estimated IT Cost:**

<b>Exp 2017</b>	<b>Bud 2018</b>	<b>Est 2019</b>	<b>Est 2020</b>	<b>Est 2021</b>	<b>Total Over Life of Project</b>
\$0	\$20,000	\$34,394	\$0	\$0	\$54,394.00

**Contract Description:**

Amend an existing reagent rental contract to include new reagents, supplies and software modules. New procurement contracts are needed to purchase instruments in FY18.

**Approximate Percentage of Expanded or New Initiative Contracted in FYs 2018-19:**      60.0%

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Agency name: Department of State Health Services

	Exp 2017	Bud 2018	Est 2019	Est 2020	Est 2021
<b>Expanded or New Initiative:</b> 2. Workplace Violence Reduction Grants for Nurses					

**Legal Authority for Item:**

85th Legislature, Regular Session, H.B. 280

Health and Safety Code, Chapter 105

85th Legislature, Regular Session, S.B.1, Art. IX, Sec. 18.08

**Description/Key Assumptions (including start up/implementation costs and ongoing costs):**

A grant program will be established and implemented to fund innovative approaches for reducing verbal and physical violence against nurses in hospitals, freestanding emergency medical care facilities (FEMCs), nursing facilities, and home health agencies. Grant recipients will be required to submit periodic reports describing the outcome of the activities funded through the grant. Award funding for this program will be contingent upon funds being made available by the Texas Board of Nursing (BON) through an increase of nurse licensure fees. An existing Interagency Contract with BON will be amended to provide funding to the Texas Center for Nursing Workforce Studies (TCNWS). The TCNWS will be implementing this grant program and additional DSHS funding for the grant program is contingent upon the BON assessing or increasing fees sufficient to generate, in addition to revenue requirements elsewhere in S.B. 1, \$667,000 in excess of \$26,000,000 contained in the Comptroller's Biennial Revenue Estimate during the FY 18/19 biennium. The TCNWS/DSHS will be absorbing the administrative costs of developing and implementing the grant program in order to make all funding provided available for grant awards.

**Grant Program Establishment:**

- Purpose: reduce verbal/physical violence at hospitals, FEMCs, nursing facilities, home health agencies.
- Grantee Requirements: Periodic reports on outcomes (any change in severity/frequency of incidents).
- Funding: To the extent funding is available, transfers may be made from the BON.
- Other: With the guidance and oversight of the Statewide Health Coordinating Council's nursing advisory committee.

**State Budget by Program:** Workplace Violence Reduction Grants for Nurses

**IT Component:** No

**Involve Contracts > \$50,000:** Yes

**Objects of Expense**

**Strategy: 1-1-5 HEALTH DATA AND STATISTICS**

4000 GRANTS	\$0	\$328,000	\$339,000	\$328,000	\$339,000
<b>SUBTOTAL, Strategy 1-1-5</b>	<b>\$0</b>	<b>\$328,000</b>	<b>\$339,000</b>	<b>\$328,000</b>	<b>\$339,000</b>
<b>TOTAL, Objects of Expense</b>	<b>\$0</b>	<b>\$328,000</b>	<b>\$339,000</b>	<b>\$328,000</b>	<b>\$339,000</b>

**Method of Financing**

**OTHER FUNDS**

**Strategy: 1-1-5 HEALTH DATA AND STATISTICS**

777 Interagency Contracts	\$0	\$328,000	\$339,000	\$328,000	\$339,000
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<b>SUBTOTAL, Strategy 1-1-5</b>	<b>\$0</b>	<b>\$328,000</b>	<b>\$339,000</b>	<b>\$328,000</b>	<b>\$339,000</b>
<b>SUBTOTAL, OTHER FUNDS</b>	<b>\$0</b>	<b>\$328,000</b>	<b>\$339,000</b>	<b>\$328,000</b>	<b>\$339,000</b>
<b>TOTAL, Method of Financing</b>	<b>\$0</b>	<b>\$328,000</b>	<b>\$339,000</b>	<b>\$328,000</b>	<b>\$339,000</b>

**Contract Description:**

While rules for this program are still being established, it is possible the grant awards over \$50,000 will be awarded to fund innovative programs that help reduce workplace violence against nurses. Grants will be awarded through a request for proposals that describe the workplace violence prevent program.

**Approximate Percentage of Expanded or New Initiative Contracted in FYs 2018-19:** 0.0%

**4.F. Part B Summary of Costs Related to Recently Enacted State Legislation**  
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DATE: 12/1/2017  
 TIME: 10:59:09AM

Agency code: 537

Agency name: Department of State Health Services

ITEM EXPANDED OR NEW INITIATIVE	Exp 2017	Bud 2018	Est 2019	Est 2020	Est 2021
1 X-ALD Testing Startup	\$0	\$508,357	\$691,643	\$0	\$0
2 Workplace Violence Reduction Grants for Nurses	\$0	\$328,000	\$339,000	\$328,000	\$339,000
<b>Total, Cost Related to Expanded or New Initiatives</b>	<b>\$0</b>	<b>\$836,357</b>	<b>\$1,030,643</b>	<b>\$328,000</b>	<b>\$339,000</b>
<b>METHOD OF FINANCING</b>					
GENERAL REVENUE FUNDS	\$0	\$508,357	\$691,643	\$0	\$0
OTHER FUNDS	\$0	\$328,000	\$339,000	\$328,000	\$339,000
<b>Total, Method of Financing</b>	<b>\$0</b>	<b>\$836,357</b>	<b>\$1,030,643</b>	<b>\$328,000</b>	<b>\$339,000</b>
<b>FULL-TIME-EQUIVALENTS (FTES):</b>	<b>0.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>