

**FISCAL IMPACT REPORT**  
2nd Session of the 51<sup>st</sup> Legislature

**Bill No.:** HB 2805  
**Version:** FA 1  
**Author:** Representative Brown  
**Date:** March 5, 2008  
**Analyst:** Mark Newman

**Impact:** FY-09 Minimum of \$9,239,449  
Subsequent annual impact of \$5,642,341

Reviewed: Mark Tygret  
House Fiscal Director

**Summary**

The FA 1 for HB 2805 is new language creating the Oklahoma Health Records Efficiency Act and requires the Oklahoma State Department of Health (OSDH) to adopt a standardized interoperable electronic data sharing system with statewide capabilities, in conjunction with the HISSPIC council, by July 1, 2009. It also defines elements of the interoperable electronic data sharing system. The bill requires OSDH to adopt and distribute a standard authorization form and accompanying instructions. The FA 1 for HB 2805 requires that the interoperable electronic data sharing system be compatible with any current existing networks or operating interoperable system and requires state agencies that maintain patient health care information use an interoperable electronic data sharing system adopted by OSDH.

**Analysis**

Based on information provided by OSDH and data collected from other states currently implementing electronic health record systems, the fiscal impact for the FA 1 for HB 2805 is projected to be as follows:

	<u>Position Needed</u>	<u>FTE Required</u>	<u>Monthly Salary</u>	<u>Total Dollars</u>
<b>Salaries</b>	Trainers, policy, audit	10	\$4,000	\$480,000
	IT staff	6	\$4,167	\$300,024
	Admin. Asst.	1	\$3,000	\$36,000
	APO	1	\$3,600	\$43,200
	Director	1	\$5,400	\$64,800
	Program Coordinators	4	\$3,618	\$173,664
<b>Total Salaries</b>				<b>\$1,097,688</b>
<b>Fringes</b>				<b>\$447,308</b>
		<u>Motorpool</u>	<u>Mileage</u>	
<b>Travel</b>			90,000	<b>\$43,650</b>
		<u>Per Diem/Registrations</u>	<u>Airfare</u>	
<b>Training</b>		\$10,000	\$10,000	<b>\$20,000</b>

	<u>Printing/Communications</u>	<u>Everyday Supplies</u>	
<b>Supplies</b>	\$75,000	\$6,000	<b>\$81,000</b>
	<u>Laptop/Desktop</u>	<u>Software/Monitoring</u>	
<b>Equipment</b>	\$75,000	unknown	<b>\$75,000</b>
	<u>On-site IDC</u>	<u>Off-site IDC</u>	
<b>Indirect Costs</b>	\$226,891	\$53,696	<b>\$280,587</b>
<b>Network Costs</b>			* <u><b>\$7,194,216</b></u>
<b>Total</b>			<u><u><b>\$9,239,449</b></u></u>

\*This figure is based on a first year cost of \$3.00 per person per year times two-thirds of the total population of Oklahoma (3,579,212).  $\$3.00 \times 2,398,072 = \$7,194,216$

NOTE: Rhode Island and Maine (total population 1.3 Million) have estimated costs of approximately \$20 - 22 Million over a 5 year period to implement their statewide system.

The subsequent year projections for the cost of this legislation assumes \$1.50 per person and does not include the possibility of generating revenue from the provider participants which are not state agencies, but choose to utilize the interoperable electronic data sharing system.

### **Long Term Considerations**

The initial expenditures for this legislation may eventually be recovered in savings and efficiencies, but should not be expected during the implementation phase or the immediate future.