

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 309** SLS 08RS 289
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: DHH		Analyst: Shawn Hotstream
Subject: hospitals		

HOSPITALS OR INCREASE GF EX See Note Page 1 of 1
 Creates and provides for the "Hospital Care Incentive Program." (gov sig)

Proposed law establishes the "Hospital Care Incentive Program" in the Department of Health and Hospitals.

Proposed law creates the "Hospital Care Incentive Fund" in the state treasury, and establishes that the source of monies for the fund shall be legislative appropriations (from any source).

Proposed law further provides for the following: 1) The program shall make grant payments from a newly created Hospital Care Incentive Fund (subject to annual appropriations) to eligible hospitals that provide care in parishes having a population in excess of 450,000 according to the latest federal decennial census; 2) requires DHH to develop a grant application process, prioritize and allocate the grant funds among applicants, and monitor and evaluate the use of the funds; and 3) limits hospital eligibility to licensed private hospitals (either for profit or not for profit).

EXPENDITURES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Expenditures of DHH are anticipated to increase by an indeterminable amount. This bill creates a new program in the Department of Health and Hospitals that will make grant payments (subject to appropriation) from a newly created fund to eligible hospitals with the intent to stabilize these hospitals. The source of the payments are legislative appropriations (any revenue source). According to DHH, hospitals that would be eligible fall within Orleans and Jefferson Parish (based on the 2000 federal census). In addition to grant expenditures, DHH has indicated the need for one additional position to develop the grant application process, monitor hospital spending, and evaluate the program. Personnel costs assumes a \$50,000 salary and approximately 30% for related benefits (\$65,000 total in FY 08/09), and 4% increase in future fiscal years.

Note: It is unclear how grant payment amounts will be allocated or spent between eligible hospitals. The bill does not establish a payment methodology, nor provide for the "type" of hospital that will be eligible. In addition, the bill does not impose spending requirements, except that these funds will be used for financially stabilizing eligible hospitals.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$500,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$500,000 Annual Fiscal Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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Legislative Fiscal Officer