

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 450** HLS 15RS 398

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|-----------------------------------|
| Date: May 6, 2015 | 7:10 AM | Author: SCHEXNAYDER |
| Dept./Agy.: Department of Health and Hospitals | | Analyst: Alan M. Boxberger |
| Subject: Creates the Home Health Agency Trust Fund | | |

FUNDS/FUNDING

RE SEE FISC NOTE SD RV See Note

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Creates the Home Health Agency Trust Fund and provides for the deposit of fines and penalties levied against home health agencies into the fund

Present law provides for civil fines for healthcare facilities that violate state licensing and registration requirements and authorizes DHH to collect the fines from healthcare facilities and creates the Health Care Facility Fund into which the collected fines are deposited. Proposed law exempts fines collected from home health agencies from deposit into the Health Care Facility Fund; creates the Home Health Agency Trust Fund and deposits civil fines collected from home health agencies and civil fines and monetary penalties imposed or levied against home health agencies received from the Centers for Medicare and Medicaid Services (CMS) into the fund; provides that the money in the fund shall be used solely in accordance with the provisions of 42 CFR part 488, federal regulations which in part provide for the collection of penalties against home health agencies and subject to approval by CMS; and directs the treasurer to transfer any civil fines or penalties from home health agencies received from CMS into the Home Health Agency Trust Fund. Proposed law is effective upon signature of the governor or lapse of time for gubernatorial action.

| EXPENDITURES | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| 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> | <u>\$0</u> |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| 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> | <u>\$0</u> |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

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

Creating a new statutory dedication (Home Health Agency Trust Fund) within the state treasury will result in a marginal additional workload for the Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds.

REVENUE EXPLANATION

Proposed law will redirect deposit of the state portion of avails of certain civil fines collected from home health agencies from the Health Care Facility Fund into the Home Health Agency Trust Fund. The allowable uses of these funds are determined by CMS regardless of the statutory dedication into which said fines are deposited.

DHH estimates that monies deposited into the fund will be less than \$15,000 per year. The Home Health Enforcement Program, operating as a partnership between DHH and CMS, has collected \$4,810 (as of 4/30/15) since its creation in July of 2014. These revenues are only available for the purposes designated by CMS and expended only with CMS approval. The primary uses of the funds are provider and staff training, education and outreach. CMS provides that of civil fines assessed, the state will receive a portion of those funds based on a formula as provided in 42 CFR 488.845. CMS requires that these funds be segregated from other operating funds for accountability.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux

Evan Brasseaux
Staff Director