



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: HB 259 HLS 19RS 135
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 16, 2019 8:45 AM Author: STOKES
Dept./Agy.: LA Dept. of Veterans Affairs Analyst: Zachary Rau
Subject: Hyperbaric Oxygen Treatment for Certain Veterans

VETERANS OR INCREASE SD EX See Note Page 1 of 2
Establishes a program to provide hyperbaric oxygen therapy to veterans with traumatic brain injuries

Proposed law creates the Veterans Traumatic Brain Injury and Recovery Revolving Fund and provides for sources of revenue to the fund as well as how they may be expended. Proposed law allows veterans diagnosed with traumatic brain injury and prescribed hyperbaric oxygen treatment (HBOT) to receive such treatment, and further provides that the treatment shall conform to a plan approved by the LA Dept. of Veterans Affairs (LDVA) or their designee. Proposed law allows HBOT providers delivering services to veterans to request reimbursement of services from the Revolving Fund from the LDVA Secretary. Proposed law provides that approved reimbursements will be paid in full if resources are available, and allows the LDVA Secretary to deny requests if sufficient resources are not available. Proposed law places LDVA over HBOT treatment given to veterans by providers seeking reimbursements from the Revolving Fund, and further provides that it shall be delivered only by certified providers in accordance with federal and state law. Proposed law provides for severability of services and reimbursements if a veteran does not appear for treatment or if a reimbursement request is not submitted within six months. Proposed law does not hold veterans receiving treatment liable if the costs submitted by the facility and limits state obligations to payments approved for treatment within the amount of resources in the fund.

Table with 7 columns: EXPENDITURES, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

Proposed law will increase expenditures for the LA Dept. of Veterans Affairs (LDVA) by an indeterminable, but possibly significant amount, assumed to be funded by the new statutorily dedicated Veterans Traumatic Brain Injury and Recovery Revolving Fund beginning in FY 20. Expenditures include reimbursement of costs associated with hyperbaric oxygen treatment (HBOT) of eligible veterans for traumatic brain injuries (TBI) and expenses for LDVA personnel required to assist in the delivery of HBOT services. Deposits to the fund may require an SGF appropriation to fund program activities in the absence of funding from other sources. The Legislative Fiscal Office is not aware of another source of funding for the fund and assumes that SGF would be required to begin operations for the program.

LDVA reports anticipated costs associated with the new HBOT program include personal services expenditures totaling \$440,000 (salary and related benefits) for the department to hire medical personnel to evaluate veterans for treatment and assist in the delivery of HBOT services, as the proposed legislation tasks the department with reviewing and altering HBOT treatment plans to conform to a department-approved plan. LDVA anticipates requiring 3 additional personnel to administer the program as follows: 1 physician (\$300,000 projected salary and related benefits) to create and approve a statewide treatment plan, as well as evaluate veterans seeking HBOT services; 1 registered nurse (\$95,000 projected salary and related benefits) to perform screening and evaluation services, as well as coordinating lab work and medical records; and 1 administrative employee (\$45,000 projected salary and related benefits) to coordinate schedules, lab appointments, manage records filing and storage, and confirming licensing and certification of providers seeking to provide HBOT treatment. The Legislative Fiscal Office is currently seeking information regarding if services anticipated to be provided by the physician may be carried out by other less costly medical personnel, such as an advanced practice registered nurse (APRN).

Additional expenditures associated with the fund are reimbursements to providers delivering HBOT services for veterans with TBI, which may be made to the extent funds are available. Expenditures associated with HBOT services are indeterminable and dependent upon the number of veterans qualifying for treatment and the costs of their treatment. For reference, available per-treatment cost data for HBOT treatment varies greatly over time according to a 2013 report prepared by the Washington State Health Care Authority that reported per treatment costs as high as \$405 in 1996 with decrease to approximately \$59-\$76 per treatment in 2006. Furthermore, a 2000 report provided by Dept. of Health and Human Services reports overall per treatment costs inclusive of physician costs to range from \$7,000-\$12,000 with an average per-treatment Medicare reimbursement of \$140 for 15,687 beneficiaries. The Legislative Fiscal Office is currently seeking additional data regarding treatment costs and potential patient populations receiving HBOT for TBI.

(Expenditure Explanation cont. on Page 2)

REVENUE EXPLANATION

Proposed law includes provisions allowing for the newly created Veterans Traumatic Brain Injury and Recovery Revolving Fund to receive revenues from a variety of sources, including "public or private donations, gifts, or grants," as well as payments from third-party payers associated with services rendered. However, any potential revenue generated from such sources is speculative and cannot be quantified.

Note: LDVA reports that TRICARE does not reimburse for hyperbaric oxygen treatment associated with traumatic brain injury.

- Senate Dual Referral Rules House
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} [X] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} [] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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CONTINUED EXPLANATION from page one:

(Expenditure Explanation cont. from Page 1)

The department is also unsure if it would be required to purchase HBOT equipment for evaluation and treatment planning for patients under the auspices of this measure, but reports associated costs are estimated to total \$80,000-\$150,000 to purchase such equipment if necessary.

Additionally, creating a new statutory dedication (Veterans Traumatic Brain Injury and Recovery Revolving 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. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 399 special funds. When unable to absorb additional workload with existing resources, the treasury anticipates a personal services expenditure increase of approximately \$71,000 for 1 T.O. position plus approximately \$2,500 for a one-time purchase of office equipment. These expenditures are assumed to be SGF.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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