

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 556** SLS 10RS 982

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2010	8:25 AM	Author: CROWE
Dept./Agy.: DHH		Analyst: Shawn Hotstream
Subject: rural hospital		

HOSPITALS EG NO IMPACT See Note
Provides for the definition of a "rural hospital." (8/15/10)

Present law (R.S. 40:1300.143(7)(a)) provides for the definition of a rural hospital, and provides for eligibility.

Proposed law amends the definition by changing eligibility criteria for a certain hospital. Proposed law extends the date whereby a hospital can be built in a certain location from November 1, 2010 to November 1, 2013 and still qualify as a rural hospital under the Rural Preservation Act.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.			SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds			SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material affect on governmental expenditures in FY 11 as a result of this measure. This bill modifies the date by which a hospital facility can be eligible under the Rural Preservation Act and would qualify a hospital yet to be built. Information provided by the Department of Health and Hospitals indicates this hospital is anticipated to be built by 2013 in St. Bernard Parish. As a qualified rural hospital, this facility would be eligible to receive Disproportionate Share Hospital (DSH) payment funds.

This bill does not appropriate DSH funds for the purpose of reimbursing the new facility. Once operational, the allotment for all rural hospitals will either be redistributed to allow for inclusion of this hospital, or additional funding may be directly appropriated by the legislature (thus increasing the rural hospital DSH allotment). DSH funds consist of both state general funds (36.39% match for FY 11) and federal funds (63.61% federal participation for FY 11). Note: HB 1 includes approximately \$49.8 M in funding for rural hospitals from the Uncompensated Care Costs program in DHH.

The impact to the Medicaid program is unknown. Once the hospital is operational, Medicaid claim expenditures will depend on patient utilization and Medicaid payment rates.

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 >= \$100,000 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

H. Gordon Monk
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Legislative Fiscal Officer