

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 321** SLS 16RS 529

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 19, 2016	1:46 PM	Author: MORRELL
Dept./Agy.: DHH		Analyst: Willis Brewer
Subject: Establishes fund and funding formula for qualified startups		

Hospitals OR INCREASE GF EX See Note Page 1 of 1
To provide for a funding formula for new hospitals that are in adversely impacted areas with limited patient access (8/1/16).

Proposed law establishes the Startup Hospital Bridge Program, provides legislative findings and purpose for the program. Proposed law establishes a supplemental funding program for qualified startup hospitals to participate for up to two years. Proposed law establishes the Startup Hospital Bridge Fund and this fund shall be funded annually by the legislature and authorizes the Department of Health and Hospitals to promulgate rules for the implementation of the program.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
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						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

EXPENDITURE EXPLANATION

The bill requires DHH to develop and implement the Startup Hospital Bridge Program to provide qualified startup hospitals an opportunity to participate in a supplemental funding program for up to two years. It is anticipated the expenditures for a startup hospital will be required to support the costs of building or leasing a facility, personal services, operating costs, and reimbursable services.

To the extent any hospitals qualify for such a program under the proposed law, there will be significant State General Fund expenditures associated with the startup hospital expenditures including building or leasing of a hospital facility, personal services, and operating costs. Additionally, to the extent a new hospital provides additional medicaid reimbursable services, there is anticipated to be an increase in SGF and federal match expenditures associated with the potential increase in reimbursable services.

REVENUE EXPLANATION

The proposed law establishes a Startup Hospital Bridge Fund. The original source of revenue to be deposited into the fund is anticipated to be 100% SGF.

Senate Dual Referral Rules House

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| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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
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