

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 100** SLS 18RS 145

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 14, 2018 5:21 PM	Author: MORRELL
Dept./Agy.: LA Dept. of Health	Analyst: Zachary Rau
Subject: Reclassifies PPP Lease Payment Revenues from SGF to SGR	

FUNDS/FUNDING

OR SEE FISC NOTE SG RV

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Provides for the transfer, deposit, and use of monies among state funds. (gov sig)

Present law provides that state hospitals and/or their successor agencies deposit lease payment revenues derived from the lease of state-owned hospitals and equipment as recognized by the Revenue Estimated Conference in the state general fund. Proposed law provides that the such lease payment revenues shall be classified and considered as fees and self-generated revenues available for appropriation to the LA Dept. of Health as recognized by the Revenue Estimating Conference beginning in FY 20. (gov. sig)

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0					\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	(\$171,150,736)	(\$173,986,418)	(\$176,875,402)	DECREASE	(\$522,012,556)
Agy. Self-Gen.	\$0	\$171,150,736	\$173,986,418	\$176,875,402	INCREASE	\$522,012,556
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

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law earmarks revenues derived from lease payments made by the operating partners of the public private partnership hospitals as SGR for the LA Dept. of Health (LDH), rather than as SGF revenues. As a result, LDH may utilize SGR rather than SGF to leverage federal funds for use within the department.

Note: Information provided by LDH indicates that reclassifying the lease payment revenues from SGF to SGR may be disallowed by the Center for Medicare and Medicaid Services (CMS).

REVENUE EXPLANATION

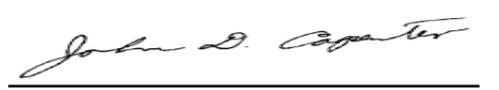
Proposed law will decrease state general fund receipts and increase self-generated revenue collections for the LA Dept. of Health (LDH) by a like amount beginning in FY 20 and continuing in subsequent fiscal years. The proposed legislation directs the Revenue Estimating Conference to reclassify revenues derived from lease payments made by the operating partners of the public-private hospitals from state general fund revenues to self-generated revenues available for appropriation to LDH beginning in FY 20. Therefore lease payments collected in FY 19 would still be classified as state general fund revenues. Projected collections from the lease payments to be deposited in the state general fund in FY 18 and 19 total \$165.67 M and \$168.37 M, respectively. Projected lease payment amounts for FYs 20-22 that would be reclassified from state general fund revenues to self-generated revenues available for appropriation to LDH are listed below.

- FY 20** - \$171,150,736
- FY 21** - \$173,986,418
- FY 22** - \$176,875,402

Note: The current lease payment forecast ends in FY 22 due to LFO practice of forecasting for the next five years beginning in the current fiscal year (FYs 18-22). However, the net effect of the proposed legislation would be to decrease state general fund receipts associated with the lease payment projections and reclassify them as self-generated revenues for LDH in FY 23.

- 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}


John D. Carpenter
Legislative Fiscal Officer