

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 539 HLS 18RS 991

Bill Text Version: ENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 columns: Information and Value. Rows include Date (March 23, 2018 7:00 AM), Author (LEGER), Dept./Agy. (LA Dept. of Health), and Subject (Expedited Licenses for Health Care Facilities, Fees).

FEES/LICENSES/PERMITS EG INCREASE SG RV See Note Page 1 of 2
Provides for an expedited licensing process and associated fees for facilities and providers licensed by the La. Department of Health
Proposed law provides that facilities planning to operate as a health care facility may receive expedited licensure. Proposed law enumerates the types of facilities eligible for expedited licensure. Proposed law establishes three tiers for facilities eligible for expedited licensure, and sorts those facilities into one of three tiers. Proposed law establishes fee schedules for the three tiers as follows: Tier 1 - \$6,000; Tier 2 - \$5,000; Tier 3 - \$4,000. Proposed law stipulates that utilization of the expedited license process is at the discretion of a provider or facility requesting the expedited process. Proposed law provides that facilities submitting expedited licensing process applications and paying all applicable fees will result in the LA Dept. of Health (LDH) prioritizing the application. Proposed law further provides that LDH shall conduct the required facility survey within 10 working days of the date the provider contacted LDH to schedule the expedited survey.

Table with 7 columns: EXPENDITURES, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agg. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION
Proposed law will increase SGR expenditures for the LA Dept. of Health (LDH) by an indeterminable amount. The proposed legislation contemplates expediting licensure for facilities that wish to obtain licensure sooner than required. All expenditures associated with issuing expedited licenses would be funded utilizing additional fees paid by facilities seek to expedite their licensure based upon a 3-tier system (see Revenue Explanation).

LDH anticipates utilizing 9 WAE surveyors (one per region) to complete the expedited survey and licensure process. Expenditures for each tier are based on the complexity and number of hours needed to survey and license the types of facilities in a given tier. For reference, LDH anticipates surveyors receiving hourly wages of \$56, as well as daily per diem and lodging costs totaling \$142 due to one surveyor being responsible for an entire region. LDH reports the following anticipated costs per survey for each tier, from most to least complex: Tier 1 - \$2,808; Tier 2 - \$1,628; Tier 3 = \$1,094. Included in these estimates are hourly wages for the 9 WAE surveyors, as well as anticipated per diems and meals. Total expenditures are indeterminable because the number of facilities seeking expedited licensure, as well as the tiers those facilities fall under, are unknown.

(Expenditure Explanation cont. on Page 2)

REVENUE EXPLANATION
Proposed law will increase SGR collections for the LA Dept. of Health by an indeterminable amount. The proposed legislation levies new fees for health care facilities seeking to expedite their licensure based upon a 3-tier system. Fees for each tier are based on the complexity and length of time needed to survey the types of facilities in a given tier. The tiers and fees per survey are as follows, from most to least complex: Tier 1 - \$6,000; Tier 2 - \$5,000; Tier 3 - \$4,000. Actual revenue collections from the new expedited license tiers are indeterminable, because the number of facilities seeking expedited licensure, as well as the tiers those facilities fall under, are unknown.

For illustrative purposes, across all facilities in all tiers statewide, the LA Dept. of Health anticipates four (4) Tier 1 facilities, ten (10) Tier 2 facilities, and forty-two (42) Tier 3 facilities to seek expedited licensure based upon FY 17 licensing activity. To the extent this occurs, LDH would realize increased revenues of \$242,000 annually (4 Tier 1 facilities * \$6,000 + 10 Tier 2 facilities * \$5,000 + 42 Tier 3 facilities * \$4,000).



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Date: March 23, 2018 7:00 AM	Author: LEGER
Dept./Agy.: LA Dept. of Health	
Subject: Expedited Licenses for Health Care Facilities, Fees	Analyst: Zachary Rau

CONTINUED EXPLANATION from page one: Page 2 of 2
(Expenditure Explanation cont. from Page 1)

For illustrative purposes, across all facilities in all tiers statewide, the LA Dept. of Health anticipates of four (4) Tier 1 facilities, ten (10) Tier 2 facilities, and forty-two (42) Tier 3 facilities to seek expedited licensure based upon FY 17 licensing activity. To the extent this occurs, LDH would realize increased SGR expenditures of approximately \$73,500 (4 Tier 1 facilities * \$2,808 + 10 Tier 2 facilities * \$1,628 + 42 Tier 3 facilities * \$1,094).

Note: expedited licensure fees included in the proposed legislation exceed anticipated expenditures, leaving a balance of SGR that may be used to fund additional expenditures within LDH.

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}

Evan Brasseaux

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