



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 539** HLS 18RS 991

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 15, 2018	10:36 AM	Author: LEGER
Dept./Agy.: LA Dept. of Health		
Subject: Expedited Licenses for Health Care Facilities, Fees		Analyst: Zachary Rau

FEES/LICENSES/PERMITSRE INCREASE SG RV See NotePage 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.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

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).

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		☐ 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}

Evan Brasseaux

Evan BrasseauxStaff Director



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

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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	House	Evan Brasseaux Evan Brasseaux Staff Director
☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		☐ 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}	