
DIGEST

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HB 831 Original

2015 Regular Session

Jay Morris

Abstract: Establishes the Spending Reduction Fund and dedicates certain funds for payment of certain tax credits for donations to healthcare and higher education.

Present law provides for the Higher Education Initiatives Fund ("fund") as a special treasury fund to provide for improvements to La.'s higher education institutions, including teaching, training, and development of innovative teaching strategies, development of additional distance learning classrooms, and enhancement of library and scientific equipment. Monies in the fund may only be appropriated to the Board of Regents. Authorizes the Board of Regents to develop guidelines for allocation of monies in the fund.

Proposed law retains present law but requires the monies in the fund to be distributed according to the formula for equitable distribution of funds to the institutions or postsecondary education.

Present law provides for the Health Care Redesign Fund in the state treasury. Provides for deposits into the fund from legislative appropriation and other sources. Provides that monies in the fund may be appropriated solely to pay costs and expenses associated with the following health care initiatives and services:

- (1) Development of a medical home to serve the low income uninsured population and reduce the incidence of emergency room services.
- (2) Funding to maintain, administer and improve the following health care areas:
 - (a) Essential behavioral health services in the Department of Health and Hospitals, including mental health services and addictive disorders.
 - (b) Recommendations for statewide mental health system improvements contained in Louisiana's Plan for Access to Mental Health Care.
 - (c) Expansion of health insurance through the state's Medicaid program.
 - (d) Reengineering of the vital records system to reconstitute records lost or damaged as a result of hurricanes Katrina and Rita, and to provide for effective creation, storage, and retrieval of such records.
 - (e) The provision of services that are expected to achieve improved standards of care and

better health outcomes for the following:

- (i) Essential developmental disabilities, substance abuse and mental health services by DHH.
 - (ii) Essential adult and aging services by DHH.
 - (iii) Essential public health services by DHH.
 - (iv) Essential primary and preventive health care services by the DHH.
 - (v) Health care services provided via the Medicaid program operated by DHH, including the enhancement of provider reimbursement rates that improves Medicaid enrollee access to care, provided that such care is consistent with the goals of this redesign effort.
- (3) Initiatives of the Louisiana Health Care Quality Forum designed to improve the quality of health and health care statewide.
- (4) Initiatives to further the adoption and use of health information technology, including implementation of national HIT/HIE standards at the state and local levels, building of the health information exchange infrastructure, and adoption of electronic medical records and other clinical information at the provider level.
- (5) Assistance for health care workforce development and employee retention, including training; student loan repayment; physician uncompensated care; and transitional support for medical practitioners who provide comprehensive, continuing, and outcome-based patient care for Medicaid and uninsured patients in Dept. of Health and Hospitals Regions 1 and 5.

Proposed law establishes the Spending Reduction Fund as a special fund in the treasury and provides that the source of the monies for the fund shall be monies transferred to the fund pursuant to proposed law and other revenue designated for the fund.

Proposed law further requires the monies in the fund to be appropriated to the Dept. of Revenue for payment of credits authorized pursuant to proposed law. for use to fund healthcare services and to the Board of Regents to distribute according to the formula provided for in present law.

Proposed law directs the state treasurer to annually transfer to the Spending Reduction Fund, established in proposed law, the amount of savings recognized by the state based on Acts of the 2015 Regular Session relative to sales tax, income tax, severance taxes, petroleum products tax, and corporation franchise taxes. Further requires Dept. of Revenue to establish two baseline year amounts. One baseline year amount is based on the aggregate amount of state tax dollars not collected due to the sales tax, income tax, severance taxes, petroleum products tax, and corporation franchise taxes provisions for the fiscal year ending June 30, 2014. A second baseline year amount is based on the amount of tax collections for the fiscal year ending June 30, 2014, as reported by the

Annual Tax Collection Report 2013-2014, based on the same sales tax, income tax, severance taxes, petroleum products tax, and corporation franchise taxes provisions. Further requires the dept. to certify the amount of savings to the state treasurer annually based on the same categories

Proposed law provides that when the baseline amount for the aggregate amount of state tax dollars not collected is greater than the amount for the fiscal year immediately preceding the fiscal year in which the annual transfer is to occur, the difference in the amounts shall be the amount transferred by the state treasurer.

Proposed law further provides that when the baseline amount for tax collections is less than the amount for the fiscal year immediately preceding the fiscal year in which the annual transfer is to occur, then difference in the amounts shall be the amount transferred by the state treasurer.

Proposed law establishes the Higher Education Initiatives tax credit and authorizes an income or corporation franchise tax credit to taxpayers who make donations to the Higher Education Initiatives Fund. The amount of the credit is refundable and is equal to the amount of the donation.

Proposed law establishes the Health Care Redesign tax credit and authorizes an income or corporation franchise tax credit to taxpayers who make donations to the Health Care Redesign Fund. The amount of the credit is refundable and is equal to the amount of the donation.

Effective July 1, 2015.

(Amends R.S. 17:3129.6(B); Adds Subpart S of Part II-A of Chapter 1 of Title 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:100.137, and R.S. 47:6039 and 6040)