

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 414** HLS 17RS 767
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 1, 2017 3:21 PM	Author: LEGER
Dept./Agy.: DHH	Analyst: Shawn Hotstream
Subject: Licensing Fees	

FEES/LICENSES/PERMITS OR +\$265,060 SG RV See Note Page 1 of 1
 Revises license and bed fee amounts for facilities and providers licensed by the La. Department of Health

Proposed legislation increases licensing and renewal fees by \$100 a year for 4 years up to \$1,000 cap on various facilities and providers licensed by the Louisiana Department of Health (LDH), increases fees from \$300 to \$400 for certain providers that operate a satellite, branch, or offsite office licensed to facilities licensed by LDH, and changes a licensing assessment for certain providers from \$5 per unit to \$5 per licensed bed.

The annual license fee increase (up to \$1,000) applies to the following licensed providers: Adult Day Health Care facility, Behavioral Health services provider, Ambulatory surgery center, Case management provider, Urine drug screening provider, Home health agency, Hospice, Hospital, Nursing home, Rural health clinic, ICF DD, End stage renal disease facility, Outpatient abortion facility, Psychiatric residential treatment facility, Children's respite care center, and Pediatric day health care facility.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$265,060	\$534,060	\$803,060	\$1,072,060	\$1,072,060	\$3,746,300
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	\$265,060	\$534,060	\$803,060	\$1,072,060	\$1,072,060	\$3,746,300

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Any programming changes required to the licensing database to reflect the new fees are anticipated to be minimal.

REVENUE EXPLANATION

Increasing initial and renewal licensing fees and changing the method an additional \$5 room/unit fee is assessed for certain health providers/facilities is estimated to increase fees and self generated revenues to the Louisiana Department of Health (LDH), Health Standards by \$265,060 in FY 18. New fees projected under this measure total \$1,072,060 by FY 21. The additional fee collections reflected in the revenue table above are based on increasing licensing fees from \$600 to \$1,000 (increase of \$100 per year, \$400 total) on certain providers, increasing satellite/ branch/offsite office fees from \$300 to \$400 annually on certain providers, and applying an existing \$5 fee (currently assessed on rooms/units) to beds (proposed) for certain providers.

Licensing Fee revenues: (*licensed providers increasing by \$100 a year up to \$1,000 cap in FY 21)

Number of Providers	Current Fee	Proposed Fee	Projected Fee Revenue
*2,686	\$600	\$700	\$1,880,200
143	\$250	\$500	\$71,500
835	\$75	\$75	\$62,625
69	\$100	\$300	\$20,700
*4	\$250	\$700	<u>\$2,800</u>
			\$2,037,825

Revenue from licensing bed fee:

Number of Beds	Current Fee	Proposed Fee	Projected Fee Revenue
73,447	\$5 per room	\$5 per bed	\$367,235

Revenue from satellite/branch fees:

Number of Providers	Current Fee	Proposed Fee	Projected Fee Revenue
400	\$300	\$400	\$160,000

FY 18 Total Fee Revenue = \$2,565,060 (\$2,037,825 + \$367,235 + 160,000). FY 18 total licensing fee revenue is calculated to be \$265,060 higher than FY 17 fee revenues (\$2.3 M) as a result of this bill. Future year revenues are projected to increase due to the \$100 annual increase in licensing/renewal fees on certain providers.

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}

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