

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 681** HLS 18RS 806
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 20, 2018 4:56 PM	Author: LEGER
Dept./Agy.: LA Dept. of Health (LDH)	Analyst: Zachary Rau
Subject: Increases and Revises Various Fees Within LDH	

FEES/LICENSES/PERMITS OR +\$717,070 SG RV See Note Page 1 of 1
 Revises license fee amounts for facilities and providers licensed by the Louisiana Department of Health

Proposed law increases initial licenses and license renewals for ambulance services by \$350, from \$150 to \$500. Proposed law levies delinquent fees of \$100 at 12:01 AM on the day after the license expires. Proposed law deletes provisions regarding delinquent fees for ambulance and air ambulance vehicle inspections. Proposed law adds \$100 to the base license fee of \$600 for certain facility types beginning in FY 19 and adds \$100 each year thereafter until FY 22. Proposed law adds certain facility types subject to the license fees that graduated license fee described in the preceding sentence. Proposed law changes a \$5 "per unit" fee to a \$5 "per bed" fee and extends the applicability of the fee to certain facilities that were not subject to the fee previously. Proposed law increases the subsidiary license fee by \$100, from \$300 to \$400. Proposed law adds therapeutic group homes, crisis receiving centers, and forensic supervised transitional and aftercare facilities to the facility types subject to a \$100 delinquent license renewal fee. Proposed law exempts state-owned facilities from license issuance and renewal fees.

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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
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.	\$717,070	\$1,023,970	\$1,330,870	\$1,637,770	\$1,637,770	\$6,347,450
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>	<u>\$0</u>
Annual Total	\$717,070	\$1,023,970	\$1,330,870	\$1,637,770	\$1,637,770	\$6,347,450

EXPENDITURE EXPLANATION

LDH reports annual programming and maintenance costs of \$5,000 associated with implementing the fee changes included in proposed law.

REVENUE EXPLANATION

Proposed law will increase annual SGR collections associated with license fees by an estimated \$717,000 beginning in FY 19 and increasing each year until FY 22, when it is expected to plateau at \$1.64 M. The proposed legislation increases, revises, and eliminates various license fees within LDH beginning in FY 19. The most significant revisions are increasing annual operating license fees for certain facilities from the current fee of \$600 in \$100 increments each fiscal year until the annual license fee totals \$1,000 by FY 22 (from \$600 to \$700 in FY 19, from \$700 to \$800 in FY 20, etc.), changing a \$5 "per unit" fee to a \$5 "per bed" fee, and increasing the fee on branch offices by \$100, from \$300 to \$400.

LDH reports annual net revenue increases for its licensing activities from its current base of \$2.4 M in FY 17 in the following amounts: FY 19 - \$717,030; FY 20 - \$1.02 M; FY 21 - \$1.33 M; FY 22 - \$1.64 M. This estimate is based on current figures for facilities (3,288), beds (71,514), and subsidiary licenses (1,084) statewide.

While the proposed legislation will increase SGR collections for LDH in the aggregate, the exact increase is dependent upon the number of new licenses and license renewals issued, the license types issued or renewed, the number of facility beds statewide, the number of subsidiary licenses issued, as well the timing of those licenses being issued and/or renewed.

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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