

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 640** HLS 18RS 1008

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 4, 2018	8:13 AM	<b>Author:</b> BAGLEY
<b>Dept./Agy.:</b> LDH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> nursing home alarm devices		

NURSING HOMES OR +\$263,239 GF EX See Note Page 1 of 1  
Requires that oxygen tanks used by nursing home residents be fitted with alarm devices

Proposed law requires that each licensed nursing facility shall ensure that any oxygen tank in use by a resident of the facility is fitted with a working alarm device which activates when pressure in the tank becomes low or delivery of oxygen from the tank is impeded. The nursing facility shall take all actions as are necessary to ensure that each alarm device is working properly at all times, and shall replace or cause to be repaired any device that is not in good working order.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$263,239	\$263,239	\$263,239	\$263,239	\$263,239	<b>\$1,316,195</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$481,847	\$481,847	\$481,847	\$481,847	\$481,847	<b>\$2,409,235</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$745,086</b>	<b>\$745,086</b>	<b>\$745,086</b>	<b>\$745,086</b>	<b>\$745,086</b>	<b>\$3,725,430</b>

  

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$481,847	\$481,847	\$481,847	\$481,847	\$481,847	<b>\$2,409,235</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$481,847</b>	<b>\$481,847</b>	<b>\$481,847</b>	<b>\$481,847</b>	<b>\$481,847</b>	<b>\$2,409,235</b>

**EXPENDITURE EXPLANATION**

Requiring nursing facilities to fit oxygen tanks with alarm devices is anticipated to increase Medicaid payments to nursing facilities by approximately \$745,000 annually. The additional cost to LDH/Medicaid projected under this measure is anticipated to be added into Medicaid rates to nursing facilities. To the extent such devices are not currently provided to residents, nursing facilities would be required to either purchase new tanks that are fitted with alarms or retrofit current oxygen tank systems. The estimated impact of this measure is based on additional rental costs of the new oxygen tanks with alarms for Villa Feliciana (state run long term care facility), extrapolated out to all nursing facilities. See assumptions and calculations below.

Additional cost @ Villa- \$4,500  
Villa bed days - 56,034  
Cost per bed day - .08 cents (rounded)

Projected Medicaid bed days for all nursing facilities - 9,277,814  
**Additional FY 19 projected Medicaid cost (.08 cents x 9.2 M days) - \$745,086**

**REVENUE EXPLANATION**

Federal funds reflected in the revenue table above represent Title 19 federal matching funds.

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*  
**Evan Brasseaux**  
**Staff Director**