



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 71** HLS 201ES 109
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|---|-----------------------------------|
| Date: June 22, 2020 5:21 PM | Author: DUPLESSIS |
| Dept./Agy.: Publicly Owned Healthcare Facilities | |
| Subject: Provides for a death benefit for certain public employees | Analyst: Alan M. Boxberger |

FUNDS/FUNDING OR INCREASE GF EX See Note Page 1 of 1
 Provides for a death benefit for certain public employees who die from COVID-19 (Item #11)

Proposed law provides for the payment of a death benefit to any employee of a publicly owned healthcare facility in Louisiana who: reported for work at an eligible facility after March 1, 2020, contracted COVID-19 within 45 days after a day he reported for work, died prior to December 31, 2020, and COVID-19 caused or contributed to the death; provides that the benefit be payable to: the surviving spouse of the employee, the surviving child or children if the employee had no surviving spouse, or the employee's estate; provides that the amount of the benefit is three times the compensation received by the employee from the public healthcare facility in his final year of employment; creates a special fund in the treasury from which monies shall be used to pay the benefit; creates a five-member board to administer the fund and determine eligibility; provides for application deadlines; and provides that any funds remaining in the COVID-19 Death Benefit Fund on July 1, 2023, shall be transferred to the State General Fund.

| EXPENDITURES | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 5 -YEAR TOTAL |
|---------------------|-----------|-----------|-----------|------------|------------|---------------|
| State Gen. Fd. | INCREASE | INCREASE | INCREASE | \$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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | \$0 | \$0 | \$0 |
| REVENUES | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 5 -YEAR TOTAL |
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | SEE BELOW | SEE BELOW | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable but potentially significant expenditure increase associated with providing death benefit payments to the beneficiary of any eligible employee of a publicly owned health care facility in Louisiana. Proposed law provides for payment of a death benefit equal to three times the compensation received by the employee from the public healthcare facility in his final year of employment. The potential expenditure exposure for the state will depend on the number of employee deaths among eligible facilities and the prior year compensation received by the employee in his final year of employment. This data is unavailable due to HIPPA restrictions but the exposure is potentially significant, encompassing both health care workers and operational support staff. The LFO assumes payment to eligible beneficiaries will be pursuant to a future legislative appropriation into the COVID-19 Death Benefit Fund.

There is no central repository of data regarding the number of employees in eligible facilities that are deceased to date as a result of COVID-19 or complications arising thereof. For informational purposes, the Louisiana Department of Health (LDH) reports a total of 173 facilities statewide that fall under its designation of "publicly owned healthcare facility" - primarily including Behavioral Health Services, Hospitals, Rural Health Clinics, and Nursing Homes among others. These facilities vary widely in terms of size, number of employees and client/patient counts. LDH reports that it is aware of one death of an employee in a state-owned facility. The LFO has not been able to gather/corroborate data with regard to the number of employees in other publicly owned facilities that have died as a result of COVID-19.

Proposed law creates the COVID-19 Death Benefit Review Board to determine eligibility for death benefits and to administer the fund. The Board is placed in the Office of the Governor, Division of Administration (DOA). Proposed law provides for membership (comprised of five appointments meeting certain qualifications) but is silent with regard to potential compensation or reimbursement for travel or other expenses. The LFO assumes these members are to serve without compensation. Otherwise, DOA may realize minimal expenditures related to reimbursements as permitted in the official state Policy and Procedure Manual (PPM49).

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 404 special funds. When unable to absorb additional workload with existing resources, the Treasury anticipates it will be required to add one T.O. position at a total personal services cost of approximately \$71,000, plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law creates the statutorily dedicated COVID-19 Death Benefit Fund but does not provide for a recurring revenue source to be deposited. The LFO assumes any monies deposited into the fund would require a legislative appropriation from the SGF. Proposed law also permits monies to be donated or "otherwise made available." The likelihood of monies made available from these alternate sources is indeterminable.

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