



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1158** HLS 16RS 3784
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **HB 699**

| | |
|--|--------------------------------|
| Date: May 16, 2016 3:52 PM | Author: STOKES |
| Dept./Agy.: Health & Hospitals | Analyst: Patrice Thomas |
| Subject: Increases Licensing Fees | |

FEES/LICENSES/PERMITS EG +\$361,583 SG RV See Note Page 1 of 2
 Revises fee amounts for facilities and providers licensed by the Dept. of Health and Hospitals

Proposed law increase initial licensing fees and renewal fees for facilities licensed by the Department of Health & Hospitals (DHH) before 12/31/2016 (except ambulance providers) from \$600 to as follows: (1) \$700 beginning 01/01/2017; (2) \$800 beginning 01/01/2018; (3) \$900 beginning 01/01/2019; and (4) \$1,000 beginning 01/01/2020. Proposed law increases licensing fees for newly licensed facilities after 12/31/2016 from \$600 to \$1,000. Proposed law increases the initial licensing fees from \$150 to \$300 and the annual renewal fees from \$100 to \$300 for ambulance service. Proposed law establishes licensing fees for the following facilities and providers: pain management clinics; therapeutic group homes; crisis receiving centers; adult brain injury facilities; forensic supervised transitional residential and aftercare facilities; and home and community-based service providers. Proposed law increases the subsidiary license fee from the maximum of \$300 to \$400. Proposed law decreases the licensing fees for adult residential care providers from \$600 to \$500 and establishes a complaint survey fee of \$1,000. Proposed law exempts state-owned health facilities and any council on aging from licensing fees.

| EXPENDITURES | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| 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 | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|------------------|------------------|--------------------|--------------------|--------------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$361,583 | \$868,165 | \$1,158,165 | \$1,448,165 | \$1,593,165 | \$5,429,243 |
| 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 | \$361,583 | \$868,165 | \$1,158,165 | \$1,448,165 | \$1,593,165 | \$5,429,243 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Increasing licensing fees and license bed fees is anticipated to increase Fees & Self-Generated Revenues by \$361,583 in the Department of Health & Hospitals (DHH), Health Standards section in FY 17. The proposed legislation increases licensing fees from \$600 to \$1,000 on certain providers and facilities over the next 4 years; imposes a license bed fee of \$5 on each bed; and increases satellite/branch fees from \$300 to \$400. Presently, licensing, bed and satellite fees generate approximately \$2 M annually. Under this measure, total licensure fee revenue is projected to increase as follows:

| | Licensing Fees (Initial & Renewal and Satellites) | Licensing Bed Fees | Total Revenue |
|--------|---|--------------------|------------------|
| FY 17* | \$181,425 | \$180,158 | \$361,583 |
| FY 18 | \$507,850 | \$360,315 | \$868,165 |
| FY 19 | \$797,850 | \$360,315 | \$1,158,165 |
| FY 20 | \$1,087,850 | \$360,315 | \$1,448,165 |
| FY 21 | \$1,232,850 | \$360,315 | \$1,593,165 |

*Proposed legislation implements the new fees effective 01/01/17. In addition, initial and renewal licensure fee for facilities and providers increases by \$100 phased in between 01/01/17 and 01/01/20.

Licensure Bed Fee

Presently, licensed facilities are charged a bed fee of \$5 per unit. A unit is considered a room regardless of the number of beds in that room. The proposed legislation changes the bed fee from \$5 per unit to \$5 per bed. The projected net increase in bed fee revenue is \$360,315.

| Number of Beds | Proposed Fee Per Bed | Projected Revenue 12 months | Projected Revenue 6 months |
|-------------------|-------------------------|--------------------------------|-------------------------------|
| 72,063 | \$5 | \$360,315 | \$180,158 |

Continue on Page 2

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|---|--|
| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}</p> <p><input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
|---|--|

Evan Brasseaux

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Staff Director



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CONTINUED EXPLANATION from page one: Page 2 of 2
(Continued Revenue Explanation from Page 1)

Licensure Initial & Renewal Fees

The proposed legislation increases the initial and renewal licensure fee for facilities and providers from \$600 to \$1,000. Beginning January 1, 2017, a \$100 fee increase will be phased-in annually each year over the next 4 years (ending January 1, 2020). Also, beginning January 1, 2017, the licensure fee for adult residential care providers will change to \$500; licensure fees for ambulance services will increase from \$150 to \$300 and the annual renewal fees from \$100 to \$300; and satellite/branch fee will increase from \$300 to \$400.

| Number of Providers | Current Licensure Fees | Proposed Licensure Fees 01/01/17 | Current Revenue | Proposed Revenue | Revenue Increase |
|---------------------|------------------------|----------------------------------|--------------------|--------------------|------------------------|
| 2,896 | \$600 | \$700 | \$1,737,600 | \$2,027,200 | \$289,600 |
| 69 | \$100 | \$300 | \$6,900 | \$20,700 | \$13,800 |
| 142 | \$250/\$600 | \$500 | \$53,350 | \$71,000 | \$17,650 |
| 4 | \$250 | \$700 | \$1,000 | \$2,800 | \$1,800 |
| 400 | \$300 | \$400 | \$120,000 | \$160,000 | \$40,000 |
| | | | <u>\$1,918,850</u> | <u>\$2,281,700</u> | <u>\$362,850</u> CY 17 |
| | | | | | \$181,425 in FY 17 |
| | | | | | \$181,425 in FY 18 |

| Number of Providers | Current Licensure Fees | Proposed Licensure Fees 01/01/18 | Current Revenue | Proposed Revenue | Revenue Increase |
|---------------------|------------------------|----------------------------------|--------------------|--------------------|------------------------|
| 2,896 | \$600 | \$800 | \$1,737,600 | \$2,316,800 | \$579,200 |
| 69 | \$100 | \$300 | \$6,900 | \$20,700 | \$13,800 |
| 142 | \$250/\$600 | \$500 | \$53,350 | \$71,000 | \$17,650 |
| 4 | \$250 | \$800 | \$1,000 | \$3,200 | \$2,200 |
| 400 | \$300 | \$400 | \$120,000 | \$160,000 | \$40,000 |
| | | | <u>\$1,918,850</u> | <u>\$2,571,700</u> | <u>\$652,850</u> CY 18 |
| | | | | | \$326,425 in FY 18 |
| | | | | | \$326,425 in FY 19 |

| Number of Providers | Current Licensure Fees | Proposed Licensure Fees 01/01/19 | Current Revenue | Proposed Revenue | Revenue Increase |
|---------------------|------------------------|----------------------------------|--------------------|--------------------|------------------------|
| 2,896 | \$600 | \$900 | \$1,737,600 | \$2,606,400 | \$868,800 |
| 69 | \$100 | \$300 | \$6,900 | \$20,700 | \$13,800 |
| 142 | \$250/\$600 | \$500 | \$53,350 | \$71,000 | \$17,650 |
| 4 | \$250 | \$900 | \$1,000 | \$3,600 | \$2,600 |
| 400 | \$300 | \$400 | \$120,000 | \$160,000 | \$40,000 |
| | | | <u>\$1,918,850</u> | <u>\$2,861,700</u> | <u>\$942,850</u> CY 19 |
| | | | | | \$471,425 in FY 19 |
| | | | | | \$471,425 in FY 20 |

| Number of Providers | Current Licensure Fees | Proposed Licensure Fees 01/01/20 | Current Revenue | Proposed Revenue | Revenue Increase |
|---------------------|------------------------|----------------------------------|--------------------|--------------------|--------------------------|
| 2,896 | \$600 | \$1,000 | \$1,737,600 | \$2,896,000 | \$1,158,400 |
| 69 | \$100 | \$300 | \$6,900 | \$20,700 | \$13,800 |
| 142 | \$250/\$600 | \$500 | \$53,350 | \$71,000 | \$17,650 |
| 4 | \$250 | \$1,000 | \$1,000 | \$4,000 | \$3,000 |
| 400 | \$300 | \$400 | \$120,000 | \$160,000 | \$40,000 |
| | | | <u>\$1,918,850</u> | <u>\$3,151,700</u> | <u>\$1,232,850</u> CY 20 |
| | | | | | \$616,425 in FY 20 |
| | | | | | \$1,232,850 in FY 21 |

Note: The "Revenue Increase" column above is based on a calendar year (CY). To derive the increase by fiscal year, the calendar total reflected above is divided by half with the second half added to the subsequent FY amount. The "Licensing Fees" column on page 1 reflects the total amount by FY. In FY 21, the revenue increase will be fully implemented.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

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