

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 169** SLS 17RS 441
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 3, 2017 2:06 PM	Author: BARROW
Dept./Agy.: Corrections	Analyst: Monique Appeaning
Subject: Medical Furlough Program	

CRIME/PUNISHMENT OR SEE FISC NOTE GF EX Page 1 of 1
 Establishes the medical furlough program. (8/1/17)

Proposed law amends and reenacts R.S. 15:574.20, relative to medical parole. It also authorizes medical furloughs, term of medical parole and furlough, revocation of medical parole or furlough for improved health, written case plans, classification and treatment programs, eligibility and related matters.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

The net impact of the proposed legislation is uncertain. Proposed law will result in an indeterminable decrease in SGF expenditures in the Department of Public Safety and Corrections - Corrections Services as a result of certain offenders being released from prison on medical parole or furlough. For each individual granted a medical parole or furlough, the state saves \$21.76 (\$24.39 per day - \$2.63 parole supervision per day) per day or \$7,942.40 annually per offender in local facilities. To the extent individuals are released from state facilities, the decrease per day per offender is \$49.27 (\$51.90 per day - \$2.63 parole supervision per day) or \$17,983.55 annually. Currently, the (DPSC) - Correction Services houses 50% of state offenders at the local level and 50% at the state level. For illustrative purposes, DPSC reports that in FY 16 ten pacemaker implants at a cost of \$90,000 per procedure were performed on ten offenders; however, proposed law would have likely saved a major portion of the total \$900,000 SGF by accessing federal funds via Medicaid in the fee for service system.

Proposed law may result in an indeterminable increase in SGF and federal expenditures in the La. Department of Health (LDH) for individuals who are released from prison on medical parole or furlough and are medicaid eligible. The FY 18 federal match rate is 63.34%. In other words, for every dollar expended for qualified medical expenditures, the state is responsible for \$0.3666. LDH reports that to the extent released offenders qualify and are enrolled under Medicaid managed care on a medical furlough, increased reimbursements are anticipated in the Medical Vendor Payments Program. Offenders who are released may qualify for LDH programs such as community based waivers, nursing homes and/or managed care services.

LFO is not able to determine the number of individuals who will qualify for Medicaid. However, to the extent individuals qualify for Medicaid and continue the same level of service that was provided to them while in the state's custody, it is likely the state will realize an overall net savings as the cost of care will fall under Medicaid and allow federal match.

Note: The Louisiana Justice Reinvestment Task Force Report dated March 26, 2017, recommends establishing a temporary furlough policy for inmates with serious medical needs. "The task force found that a small number of Louisiana prisoners with serious medical needs were costing Corrections millions of dollars each year. The report pointed out that Medicaid eligibility is suspended during periods of incarceration under federal law, costly treatment for prisoners with cancer, heart disease, and other chronic or urgent medical conditions is paid for entirely with tax dollars."

REVENUE EXPLANATION

To the extent offenders are released from prison on medical parole or furlough and qualify for Medicaid, for every dollar expended for qualified medical expenditures, the state is responsible for \$0.3666 and the federal government provides federal funds for \$0.3666. This represents an increase in federal revenues for qualified medical expenditures under Medicaid.

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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