

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 532** SLS 18RS 1510
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 18, 2018 10:05 AM	Author: MILKOVICH
Dept./Agy.: LA Dept. of Health/NE Delta Human Services Authority	Analyst: Zachary Rau
Subject: Informed Choice in Long-Term Care Pilot Program	

NURSING HOMES OR +\$1,401,916 GF EX See Note Page 1 of 2

Establishes an informed choice in long-term care pilot program at the Northeast Delta Human Services Authority for Louisiana citizens vulnerable to nursing home admission. (8/1/18)

Proposed law establishes a pilot program for informing choices in long-term care to be administered by the Northeast Delta Human Services Authority (NEDHSA). Proposed law provides for development and implementation of screening and intervention strategies. Proposed law requires the LA Dept. of Health to provide staff, funding, and grant-writing expertise to implement the pilot program. Proposed law requires the LA Dept. of Health to review the program quarterly and submit findings to the House and Senate committees on health & welfare.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$1,401,916	\$1,836,917	\$1,926,082	\$2,028,503	\$2,106,175	\$9,299,593
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will increase SGF expenditures for the LA Dept. of Health (LDH) by an estimated \$1.40 M with a phase-up to an estimated \$2.11 M by FY 23. The proposed legislation establishes a pilot program in the Northeast Delta Human Services Authority (NEDHSA) to inform persons vulnerable for nursing facility admission comprised of a number of components, including diversion, outreach, education, and crisis intervention. Furthermore, proposed law directs LDH to provide resources to implement the program, including funding and personnel. LDH reported all expenditures as SGF with no federal matching funds because services outlined in proposed law are either beyond what is covered by the federal government or are duplicative of existing preadmission screening and resident review (PASRR) activities required by the federal government.

Proposed law directs LDH to provide sufficient resources for program implementation, including funding and personnel. LDH reports that the following - 16.25 T.O. positions would be required to implement the pilot program with initial costs of approximately \$1.40 M: 4 Program Monitors (\$150,954 total salary and related benefits, \$56,608 per position), 1 Program Manager 1B (\$69,347 total salary and related benefits), 1 Medical Certification Specialist (\$62,019 total salary and related benefits), 5 Licensed Mental Health Professionals (\$434,076 total salary and related benefits, \$86,815 per position), 5 Technical Specialists (\$213,114 total salary and related benefits, \$42,623 per position), and a full-time equivalent psychiatrist devoting approximately 25% of their time to this effort (\$67,725 salary and related benefits).

LDH reports that 3 of the aforementioned staff would perform additional screening and diversion activities contemplated in the proposed legislation, and 1 more T.O. position would be required to perform transition activities included in the pilot program. Furthermore, LDH estimates that outreach and crisis intervention activities associated with the proposed legislation will require 10 T.O. (5 Licensed Mental Health Professionals, 5 Technical Specialists) to perform education, intervention, and outreach activities included in the pilot program. Finally, LDH estimates 2 of reported personnel need to be devoted to the ongoing review and reporting activities outlined in proposed law.

In addition to personnel costs, LDH reports initial costs in FY 19 for travel, supplies, and telephone services totaling \$103,978, PASRR training at a cost of \$25,000 initially, expenses for transitions services at an initial cost of \$180,000, and one-time equipment charges totaling \$20,676. **(See Expenditure Explanation cont. on Pg. 2)**

REVENUE EXPLANATION

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

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

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Staff Director

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CONTINUED EXPLANATION from page one:

(Expenditure Explanation cont. from Pg. 1)

In the aggregate, the exact cost estimates reported by LDH to undertake the pilot program cannot be determined. However, due to the scope and additional workload for the NEDHSA that must be aided by LDH, it is reasonable to assume that significant additional resources and personnel may be necessary to implement the initiative. However the exact increase is indeterminable, and dependent upon a number of factors, such as the amount of additional patient encounters associated with crisis intervention and substance abuse counseling at the local level associated with the pilot program and the number of personnel required to service these additional encounters. Furthermore, to the extent proposed law results in a persons being diverted from nursing facilities to home and community-based services, a savings may be realized. However any savings is currently speculative and dependent upon the type of service a person qualifies for and enters.

Finally, local law enforcement may realize additional expenditures associated with crisis intervention. It is currently unclear to what extent proposed law would increase expenditures of local 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}

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