



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 539** HLS 18RS 991
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **w/ SEN COMM AMD**
Proposed Amd.:
Sub. Bill For.:

| | | |
|---|---------|-----------------------------|
| Date: April 24, 2018 | 4:55 PM | Author: LEGER |
| Dept./Agy.: LA Dept. of Health | | |
| Subject: Expedited Licenses for Health Care Facilities, Fees | | Analyst: Zachary Rau |

FEES/LICENSES/PERMITS RE1 INCREASE SG EX See Note Page 1 of 1
Provides for an expedited licensing process and associated fees for facilities and providers licensed by the La. Department of Health

Proposed law provides that facilities planning to operate as a health care facility may receive expedited licensure, and that the LA Dept. of Health may promulgate rules to implement the expedited licensure. Proposed law provides that fees shall be assessed in an amount not to exceed \$7,500 and shall be payable to the LA Dept. of Health when an expedited licensure application is submitted. Proposed law stipulates that, after receiving the expedited licensure application, the department shall notify the applicant of a readiness date for the expedited survey that must be conducted within 10 working days of the readiness date indicated by the department. Proposed law requires the department to refund the expedited licensing fee in the event the survey is not conducted within 10 working days, unless the facility or provider is unavailable. Proposed law stipulates that LDH may not use existing employees who conduct licensing surveys to conduct expedited licensing surveys. Proposed law requires the department shall ensure no facility or provider seeking approval for licensure pursuant to a pre-licensing facility need review request is affected by another provider of the same license type seeking expedited licensure.

| EXPENDITURES | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 5 -YEAR TOTAL |
|----------------|----------|----------|----------|----------|----------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| 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 | | | | | | |

| REVENUES | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 5 -YEAR TOTAL |
|----------------|----------|----------|----------|----------|----------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| 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 | | | | | | |

EXPENDITURE EXPLANATION

Proposed law will increase SGR expenditures for the LA Dept. of Health (LDH) by an indeterminable amount. The proposed legislation contemplates expediting licensure for facilities that wish to obtain licensure sooner than required. All expenditures associated with issuing expedited licenses would be funded utilizing additional fees not to exceed \$7,500 paid by facilities seeking to expedite their licensure (see Revenue Explanation).

LDH anticipates utilizing 9 WAE surveyors (one per region) to complete the expedited survey and licensure process. Expenditures for each survey are based on the complexity and number of hours needed to survey a given facility. For reference, LDH anticipates surveyors receiving hourly wages of \$56, as well as daily per diem and lodging costs totaling \$142 due to one surveyor being responsible for an entire region. Total expenditures are indeterminable because the number and types of facilities seeking expedited licensure, as well as the number of hours needed to survey the aforementioned facilities, are unknown.

Based upon estimates provided by LDH, the department anticipates approximately 56 facilities to seek expedited licensure with anticipated costs of \$96,600. These expenditures would be defrayed via the expedited license fee.

REVENUE EXPLANATION

Proposed law will increase SGR collections for the LA Dept. of Health by an indeterminable amount. The proposed legislation levies fees up to \$7,500 for health care facilities seeking to expedite their licensure. Actual revenue collections from the new expedited license fees are indeterminable, because the number and types of facilities seeking expedited licensure, as well as the number of hours needed to survey the aforementioned facilities, are unknown. However, any revenues collected from this source will be used to fund expenses associated with the expedited licensure survey.

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