

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 44** SLS 13RS 304

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 1, 2013	3:42 PM	<b>Author:</b> NEVERS
<b>Dept./Agy.:</b> DHH		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> hospital provider fee		

**HOSPITALS**

EG INCREASE LF RV See Note

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Authorizes the city of Bogalusa to levy a provider fee on the operation of hospitals within the city which may be used solely by DHH for state expenses for the Medicaid program within the city as provided for in a cooperative endeavor agreement. Proposed legislation authorizes the city of Bogalusa to levy and collect a provider fee on the operation of all hospitals within the city. The fee collected shall be equal to the gross receipts from the operation of the hospital multiplied by a rate not to exceed 6%. Proposed law further provides that fee collections may also be used for expenses of collecting and administering the fee. Fees are deposited into a newly created Bogalusa Health Services Fund.

Proposed legislation further authorizes the city to enter into a cooperative endeavor agreement with the Department of Health and Hospitals in which the department agrees to undertake or continue programs or incur expenses for the performance of services under the federal Medicaid program. Programs are limited to those programs and expenses for which federal financial participation is available.

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<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
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Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Information provided by DHH indicates the provider fee will be assessed on Washington St. Tammany Medical Center, AMG Specialty Hospital, and Magnolia Behavioral Health, and a maximum of \$9,352,093 could be generated for FY 14 based on historical gross receipts reported by these facilities. Any provider fees collected and deposited into the fund are anticipated to be used as a state match source to draw down federal financial participation for Medicaid allowable expenses to hospital providers in the city of Bogalusa.

Note: A portion of the fees collected are authorized to be used for costs associated with the collection and administration of the provider fee, either provided through a contract with the designated sales tax collector of Washington Parish or another agency of the city or state.

**REVENUE EXPLANATION**

Proposed law establishes the Bogalusa Health Services Fund in the state treasury. Monies deposited into the fund are revenues generated as a result of levying a provider fee on 3 hospitals in the city of Bogalusa. The level of fee assessed is up to 6% of an individual hospital's gross receipts. Information provided by DHH indicates a fee will be assessed on Washington St. Tammany Medical Center, AMG Specialty Hospital, and Magnolia Behavioral Health, and a maximum of \$9,352,093 could be generated for FY 14 based on gross receipts reported by these facilities.

It is anticipated implementation of such fee on certain providers that is limited to a geographic service area and will require Centers for Medicare and Medicaid Services (CMS) approval.

<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) >= \$500,000 Annual Fiscal Cost {S}
<input 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}

**John D. Carpenter**  
**Legislative Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**

Proposed legislation authorizes the governing authority of the city to provide that the city or the collector of the fee may forward all or a portion of the provider fee, and interest, penalty, or other charges related to such fee, to the treasurer to deposit the proceeds forwarded in the Bogalusa Health Services Fund. The money in the fund may be appropriated by the legislature only to DHH to be used only for state expenses for the Medicaid program within the city as provided for in a cooperative endeavor agreement between the department and the city.

Proposed law provides for quarterly fee payment dates. Proposed law prohibits a hospital subject to the fee from passing on the cost of the provider fee to any patient, insurer, or self insured employer program, and provides for penalties by DHH.

Senate

Dual Referral Rules

House

- |   |  |
|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}                        |
| <input 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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