

Louisiana Senate Finance Committee



Fiscal Year 2017-2018 Budget

Schedule 09 – Louisiana Department of Health

May 2017

Sen. John A. Alario, Jr., President

Sen. Eric LaFleur, Chairman





Schedule 09 – Louisiana Department of Health

In its authorizing statute, specifically R.S. 36:251(B), the Louisiana Department of Health (LDH) is charged with the responsibility “for the development and provision of health and medical services for the prevention of disease for the citizens of Louisiana.”

Further, LDH “shall provide health and medical services for the uninsured and medically indigent citizens of Louisiana.”

There are 19 agencies within the department.



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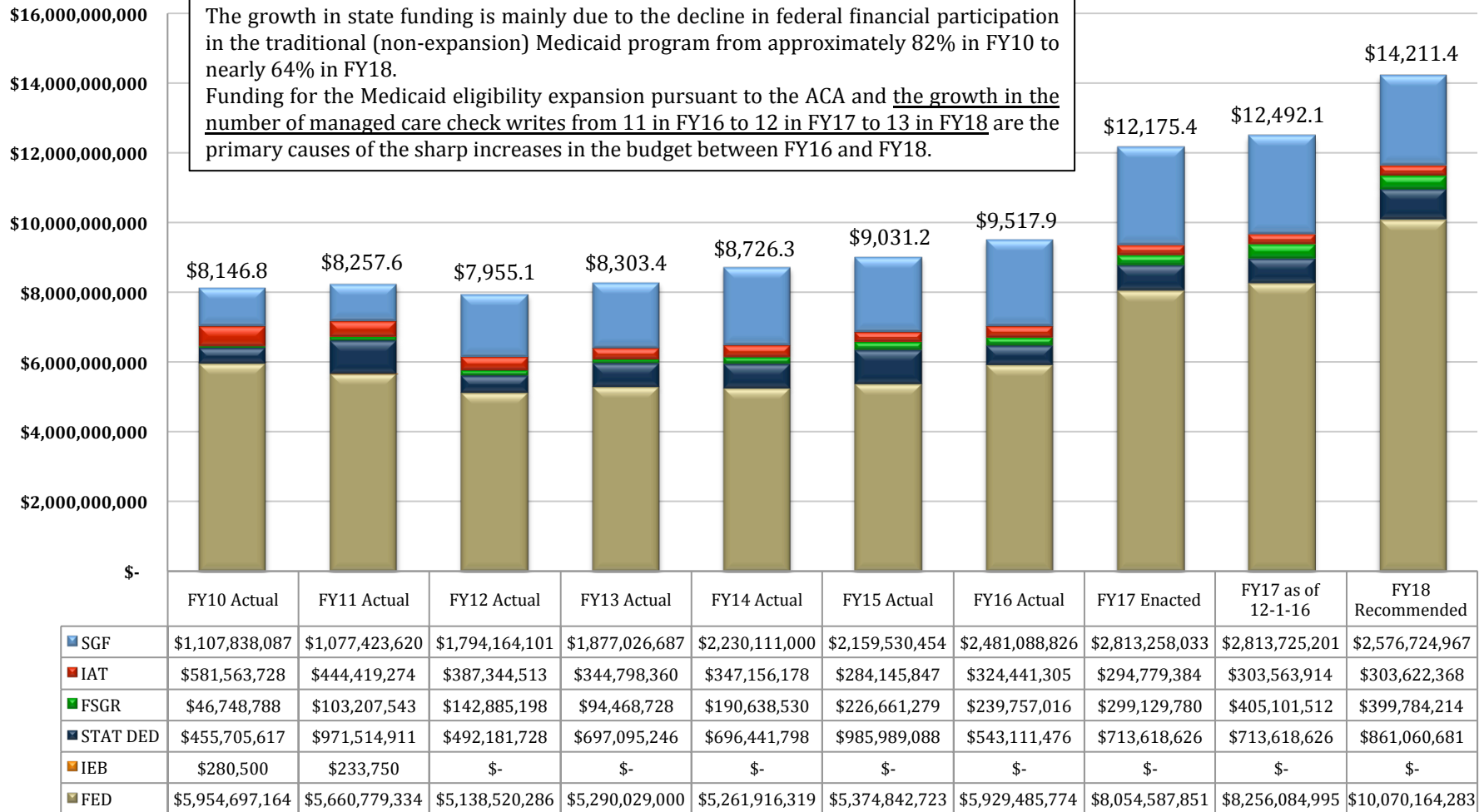
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LDH Changes in Funding since FY10

Total Budget by Fiscal Year and Means of Finance (in \$ millions)

Change from FY10 to FY18 is 74%.





LDH FY16, FY17, and FY18 Comparison

Total Funding — All Means of Finance

Department of Health	FY16 Actual	FY17 EOB as of 12-1-16	FY17 EOB with Mid-year Reductions	FY18 Recommended	Difference FY18 Recommended vs. FY17 EOB as of 12-1-16	Difference FY18 Recommended vs. FY17 EOB with Mid-Year Reductions
Jefferson Parish Human Services Authority	\$17,850,720	\$18,702,183	\$17,161,706	\$18,398,658	(\$303,525)	\$1,236,952
Florida Parishes Human Services Authority	\$16,912,790	\$19,028,398	\$18,442,605	\$18,488,684	(\$539,714)	\$46,079
Capital Area Human Services District	\$26,074,490	\$25,847,213	\$25,143,522	\$25,650,607	(\$196,606)	\$507,085
Developmental Disabilities Council	\$1,666,195	\$1,987,518	\$1,987,518	\$2,062,425	\$74,907	\$74,907
Metropolitan Human Services District	\$26,368,604	\$26,883,308	\$25,685,544	\$25,893,907	(\$989,401)	\$208,363
Medical Vendor Administration	\$247,742,567	\$410,316,767	\$383,688,405	\$523,535,861	\$113,219,094	\$139,847,456
Medical Vendor Payments	\$8,317,394,056	\$11,006,859,366	\$10,550,042,155	\$12,607,975,617	\$1,601,116,251	\$2,057,933,462
Office of the Secretary	\$74,503,650	\$83,588,629	\$82,204,888	\$78,807,564	(\$4,781,065)	(\$3,397,324)
South Central Louisiana Human Services Authority	\$20,373,967	\$21,952,879	\$21,110,905	\$21,984,045	\$31,166	\$873,140
Northeast Delta Human Services Authority	\$12,831,625	\$15,066,923	\$14,855,452	\$13,698,005	(\$1,368,918)	(\$1,157,447)
Office of Aging and Adult Services	\$39,585,052	\$47,608,990	\$46,454,745	\$50,843,739	\$3,234,749	\$4,388,994
Louisiana Emergency Response Network	\$1,832,920	\$1,649,515	\$1,621,890	\$1,626,153	(\$23,362)	\$4,263
Acadiana Area Human Services District	\$15,770,488	\$18,671,647	\$18,094,252	\$17,912,628	(\$759,019)	(\$181,624)
Office of Public Health	\$326,832,179	\$377,621,204	\$377,146,172	\$387,961,090	\$10,339,886	\$10,814,918
Office of Behavioral Health	\$201,096,473	\$230,157,284	\$230,825,456	\$226,156,050	(\$4,001,234)	(\$4,669,406)
Office for Citizens with Developmental Disabilities	\$133,328,667	\$144,780,249	\$146,426,875	\$151,377,632	\$6,597,383	\$4,950,757
Imperial Calcasieu Human Services Authority	\$9,585,516	\$11,574,981	\$11,013,909	\$11,009,763	(\$565,218)	(\$4,146)
Central Louisiana Human Services District	\$14,005,837	\$15,083,052	\$14,400,431	\$14,845,250	(\$237,802)	\$444,819
Northwest Louisiana Human Services District	\$14,128,601	\$14,714,142	\$14,550,510	\$13,128,835	(\$1,585,307)	(\$1,421,675)
Total Expenditures	\$9,517,884,397	\$12,492,094,248	\$12,000,856,940	\$14,211,356,513	\$1,719,262,265	\$2,210,499,573
Total Authorized FTEs	5,502	5,732	5,732	5,788	56	56



LDH FY17 to FY18 State Effort Comparison

Total State Effort — State General Fund, Dedicated Funds, and Fees and Self-generated Revenues

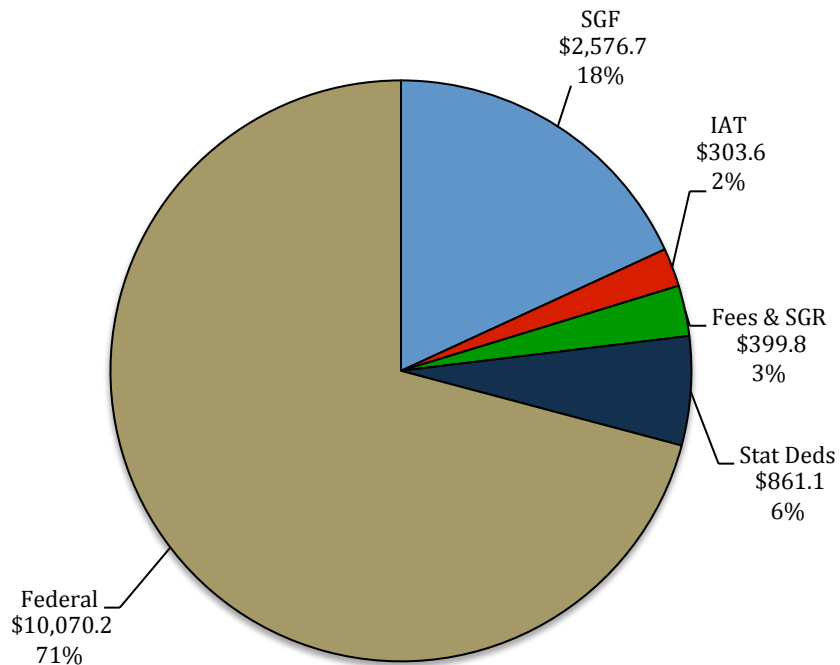
Total State Effort	FY17 EOB as of 12-1-16	FY17 EOB with Mid-year Reductions	Difference	FY18 Recommended	Difference
Louisiana Department of Health	TOTAL STATE EFFORT	TOTAL STATE EFFORT	FY17 EOB as of 12-1-16 vs. FY17 EOB with Mid-year Reductions	TOTAL STATE EFFORT	FY17 EOB with Mid-year Reductions vs. FY18 Recommended
	\$ 3,932,445,339	\$ 3,799,089,578	\$ (133,355,761)	\$ 3,837,569,862	\$ 38,480,284



LDH FY18 Recommended Means of Finance

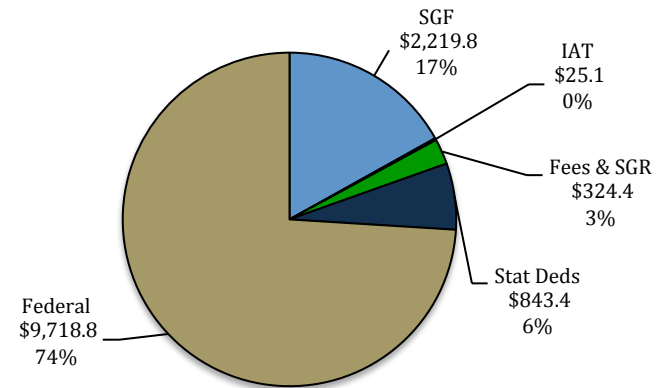
Total Department

(In Millions)



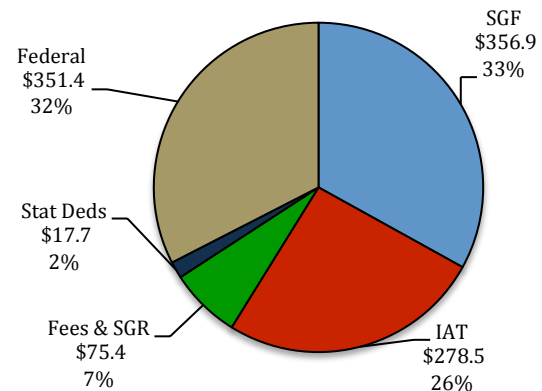
Medical Vendor Administration & Payments

(In Millions)



Offices, DD Council, LERN and Human Services Authorities and Districts

(In Millions)





LDH FY18 Recommended Means of Finance by Agency

LDH Agency	State General Fund	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	TOTAL
Jefferson Parish HSA	\$13,320,369	\$2,303,289	\$2,775,000	\$0	\$0	\$18,398,658
Florida Parishes HSA	\$11,257,771	\$4,976,625	\$2,254,288	\$0	\$0	\$18,488,684
Capital Area HSD	\$15,709,022	\$6,388,477	\$3,553,108	\$0	\$0	\$25,650,607
DD Council	\$507,067	\$0	\$0	\$0	\$1,555,358	\$2,062,425
Metropolitan HSD	\$17,554,030	\$5,755,582	\$1,229,243	\$0	\$1,355,052	\$25,893,907
Medical Vendor Administration	\$118,413,627	\$473,672	\$4,200,000	\$1,051,683	\$399,396,879	\$523,535,861
Medical Vendor Payments	\$2,101,425,001	\$24,603,787	\$320,195,434	\$842,358,353	\$9,319,393,042	\$12,607,975,617
LDH Office of the Secretary	\$44,562,307	\$12,339,668	\$2,650,601	\$1,373,390	\$17,881,598	\$78,807,564
South Central Louisiana HSA	\$14,644,995	\$4,497,870	\$2,841,180	\$0	\$0	\$21,984,045
Northeast Delta HSA	\$9,578,625	\$3,345,536	\$773,844	\$0	\$0	\$13,698,005
OAAS	\$16,294,897	\$29,437,397	\$1,197,437	\$3,045,812	\$868,196	\$50,843,739
LERN	\$1,576,253	\$49,900	\$0	\$0	\$0	\$1,626,153
Acadiana Area HSD	\$13,667,559	\$2,708,873	\$1,536,196	\$0	\$0	\$17,912,628
OPH	\$47,196,802	\$7,955,554	\$47,923,983	\$8,040,956	\$276,843,795	\$387,961,090
OBH	\$104,047,126	\$70,698,565	\$505,309	\$5,190,487	\$45,714,563	\$226,156,050
OCDD	\$22,811,888	\$117,755,422	\$4,054,471	\$0	\$6,755,851	\$151,377,632
Imperial Calcasieu HSA	\$7,513,736	\$2,004,741	\$1,091,337	\$0	\$399,949	\$11,009,763
Central Louisiana HSD	\$9,371,414	\$3,971,053	\$1,502,783	\$0	\$0	\$14,845,250
Northwest Louisiana HSD	\$7,272,478	\$4,356,357	\$1,500,000	\$0	\$0	\$13,128,835
Total	\$2,576,724,967	\$303,622,368	\$399,784,214	\$861,060,681	\$10,070,164,283	\$14,211,356,513



LDH FY18 Non-SGF Means of Finance

Means of Finance	Major Source of Funding
Interagency Transfers	Medicaid claims and uncompensated care costs payments to LDH agencies. Payments from other state agencies to LDH for use as state match in the Medicaid program.
Fees and Self-generated Revenues	Intergovernmental transfers (IGT) from non-state public entities to provide the state match for supplemental Medicaid and uncompensated care costs payments. Refunds and recoveries due to the Medicaid program. Payments to the services offices and human services authorities and districts from patients or third-party reimbursements, including the Medicaid managed care plans, for health care services. Regulatory fees.
Statutory Dedications	Various constitutional or statutorily dedicated funds available for appropriation to finance the provision of health care services. (A chart detailing these funds follows on the next page.)
Federal Funds	Federal financial participation in the Medicaid program. Federal grants for behavioral health services. Federal grants for public health services.



LDH Dedicated Funds

Fund	Source of Funding	FY16 Actual	FY17 Enacted	FY18 Recommended
2013 Amnesty Collections Fund (MVP)	Tax Amnesty Proceeds	\$75,000,000	\$0	\$0
Community and Family Support System Fund (MVP)	Sale or lease of property of the Office for Citizens with Developmental Disabilities	\$182	\$63	\$0
Community Hospital Stabilization Fund (MVP)	Certified public expenditures which have been generated in excess of the amount appropriated for certified public expenditures in the General Appropriation Act for Fiscal Year 2010-2011	\$12,724,067	\$0	\$0
Compulsive and Problem Gaming Fund (OBH)	Gaming Revenues	\$2,146,902	\$2,583,873	\$2,583,873
Emergency Medical Technician Fund (OPH)	Prestige License Plate Fees	\$9,001	\$9,000	\$9,000
Health Excellence Fund (MVP)	Tobacco Master Settlement Proceeds	\$30,484,924	\$29,468,427	\$29,274,093
Health Trust Fund (MVP)	Up to, but not to exceed, one-third of earnings from the Medicaid Trust Fund for the Elderly and Economic Damages Proceeds of the Deepwater Horizon Economic Damages Collection Fund	\$566,667	\$11,118,476	\$590,522
Hospital Stabilization Fund (MVP)	Provider Fees	\$0	\$22,003,442	\$56,357,050
Louisiana Emergency Response Network Fund (LERN)	As Appropriated by the Legislature	\$188,718	\$0	\$0
Louisiana Fund (MVP & OPH)	Tobacco Master Settlement Proceeds	\$10,641,244	\$11,626,162	\$14,608,947
Louisiana Health Care Redesign Fund (MVA)	As Appropriated by the Legislature	\$0	\$2,827	\$658
Louisiana Medical Assistance Trust Fund (MVP)	Provider Fees and Medicaid Managed Care Premiums Assessment	\$243,365,163	\$490,979,639	\$614,715,093
Medicaid Trust Fund for the Elderly (MVP)	Past Nursing Home Upper Payment Limit Intergovernmental Transfer Program and Economic Damages Proceeds of the Deepwater Horizon Economic Damages Collection Fund	\$1,133,333	\$24,909,431	\$1,733,908
Medical Assistance Program Fraud Detection Fund (MVA & OS)	Lawsuit Settlements and Judgments	\$1,993,014	\$4,809,000	\$2,273,390
New Opportunities Wavier Fund (MVA)	Twelve percent of Recurring State General Fund Revenue, not to exceed \$50 million in any fiscal year, as recognized by REC in excess of the prior forecast of the fiscal year	\$0	\$8,560	\$1,025
Nursing Homes Residents' Trust Fund (OS & OAAS)	Licensing Fees and Penalties	\$437,001	\$950,000	\$1,550,000
Overcollections Fund (MVP)	As Appropriated by the Legislature	\$55,298,758	\$0	\$0
Oyster Sanitation Fund (OPH)	Water Discharge Permit Surcharge Fee	\$55,292	\$55,292	\$55,292
Telecommunications for the Deaf Fund (OS)	Five-cent Monthly Assessment on Each Residential and Business Customer Telephone Access Line	\$1,897,768	\$2,386,793	\$1,000,000
Tobacco Tax Health Care Fund (OBH)	Tobacco Taxes	\$2,549,847	\$3,506,425	\$2,606,614
Tobacco Tax Medicaid Match Fund (MVP)	Tobacco Taxes	\$102,986,669	\$107,400,000	\$131,900,000
Traumatic Head and Spinal Cord Injury Trust Fund (OAAS)	Fee imposed on Driving Under the Influence, Reckless Operation, and Speeding Violations	\$1,593,523	\$1,645,812	\$1,645,812
Vital Record Conversion Fund (OPH)	Fees for Certified Copies of Birth and Death Certificates	\$39,403	\$155,404	\$155,404
TOTALS		\$543,111,478	\$713,618,626	\$861,060,681



LDH Dedicated Funds

Dedicated Funds used to solve FY17 Mid-Year Deficits — Includes December and February Adjustments

Dedicated Fund	Amount
2013 Amnesty Collections Fund (December Backfill)	\$1,419,568
Community Hospital Stabilization Fund (December Backfill)	\$2,767,414
Hospital Stabilization Fund (December Backfill)	\$7,400,000
Louisiana Fund (February Backfill)	\$1,100,000
Louisiana Medical Assistance Trust Fund (December Backfill: \$69,427,597; February Backfill: \$7,860,918)	\$77,288,515
Overcollections Fund (December Backfill)	\$4,895,061
Tobacco Tax Medicaid Match Fund (February Backfill)	\$44,287,582



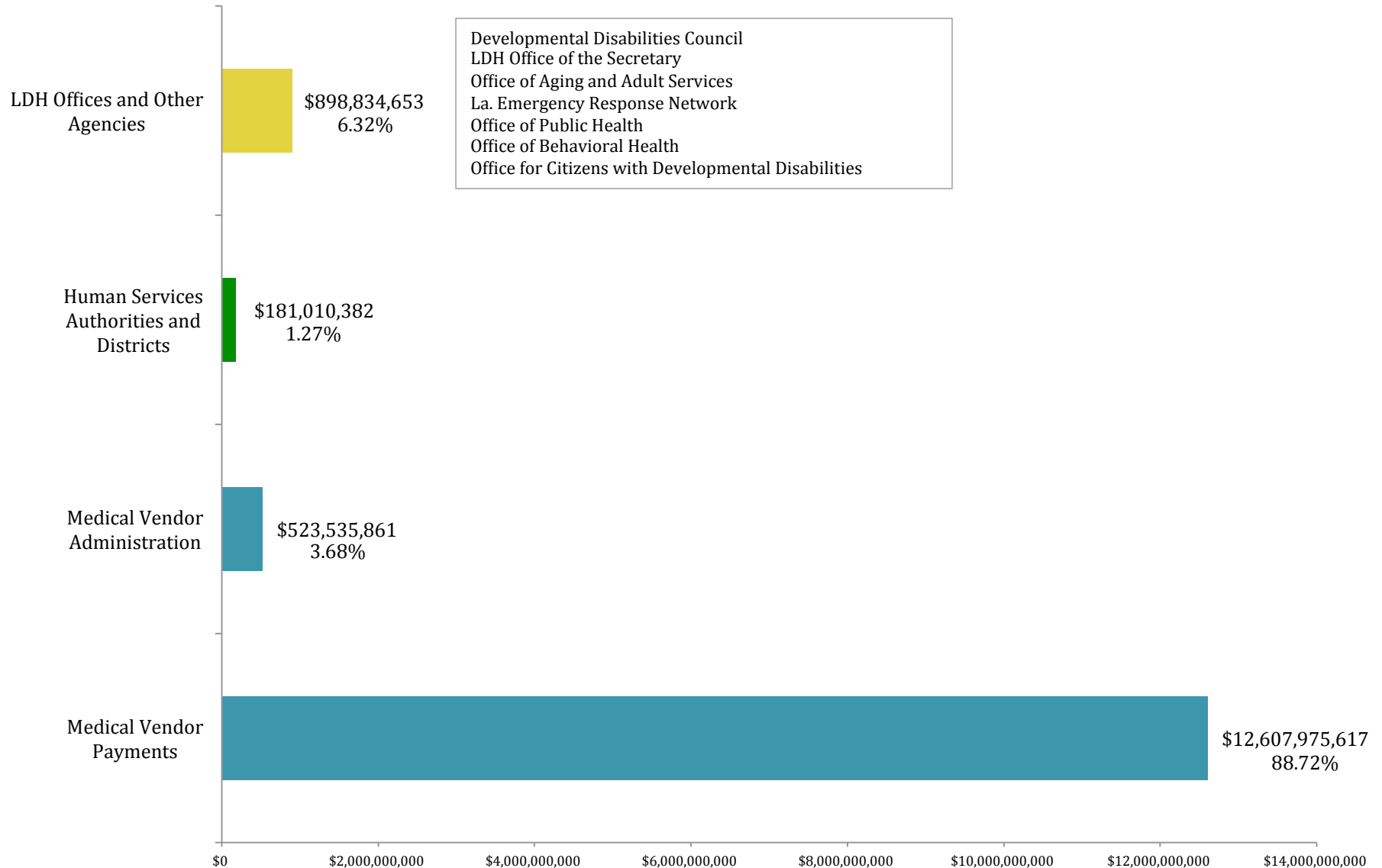
LDH Expenditures FY16, FY17, and FY18

Expenditure Category	FY16 Actual	FY17 Enacted	FY18 Recommended	Percent Change FY17 Enacted vs. FY18 Recommended
Personal Services:	\$444,191,640	\$458,212,781	\$486,299,472	6.1
Salaries	\$266,645,675	\$268,436,288	\$285,420,602	6.3
Other Compensation	\$12,195,815	\$14,056,194	\$14,512,894	3.2
Related Benefits	\$165,350,150	\$175,720,299	\$186,365,976	6.1
Operating Expenses:	\$62,636,388	\$73,474,035	\$79,235,611	7.8
Travel	\$2,788,324	\$3,941,345	\$3,903,908	(0.9)
Operating Services	\$30,543,305	\$37,694,221	\$41,311,559	9.6
Supplies	\$29,304,759	\$31,838,469	\$34,020,144	6.9
Professional Services	\$122,909,903	\$207,092,168	\$204,290,364	(1.4)
Other Charges:	\$8,885,388,142	\$11,432,190,553	\$13,438,904,941	17.6
Other Charges	\$8,536,510,320	\$11,006,434,190	\$12,905,905,965	17.3
Debt Service	\$0	\$0	\$0	-
Interagency Transfers	\$348,877,822	\$425,756,363	\$532,998,976	25.2
Acquisitions & Major Repairs:	\$2,758,324	\$4,404,137	\$2,626,125	(40.4)
Acquisitions	\$2,445,388	\$2,756,616	\$1,815,825	(34.1)
Major Repairs	\$312,936	\$1,647,521	\$810,300	(50.8)
Total Expenditures	\$9,517,884,397	\$12,175,373,674	\$14,211,356,513	16.7



LDH FY18 Recommended Expenditures by Agency

Entire Department

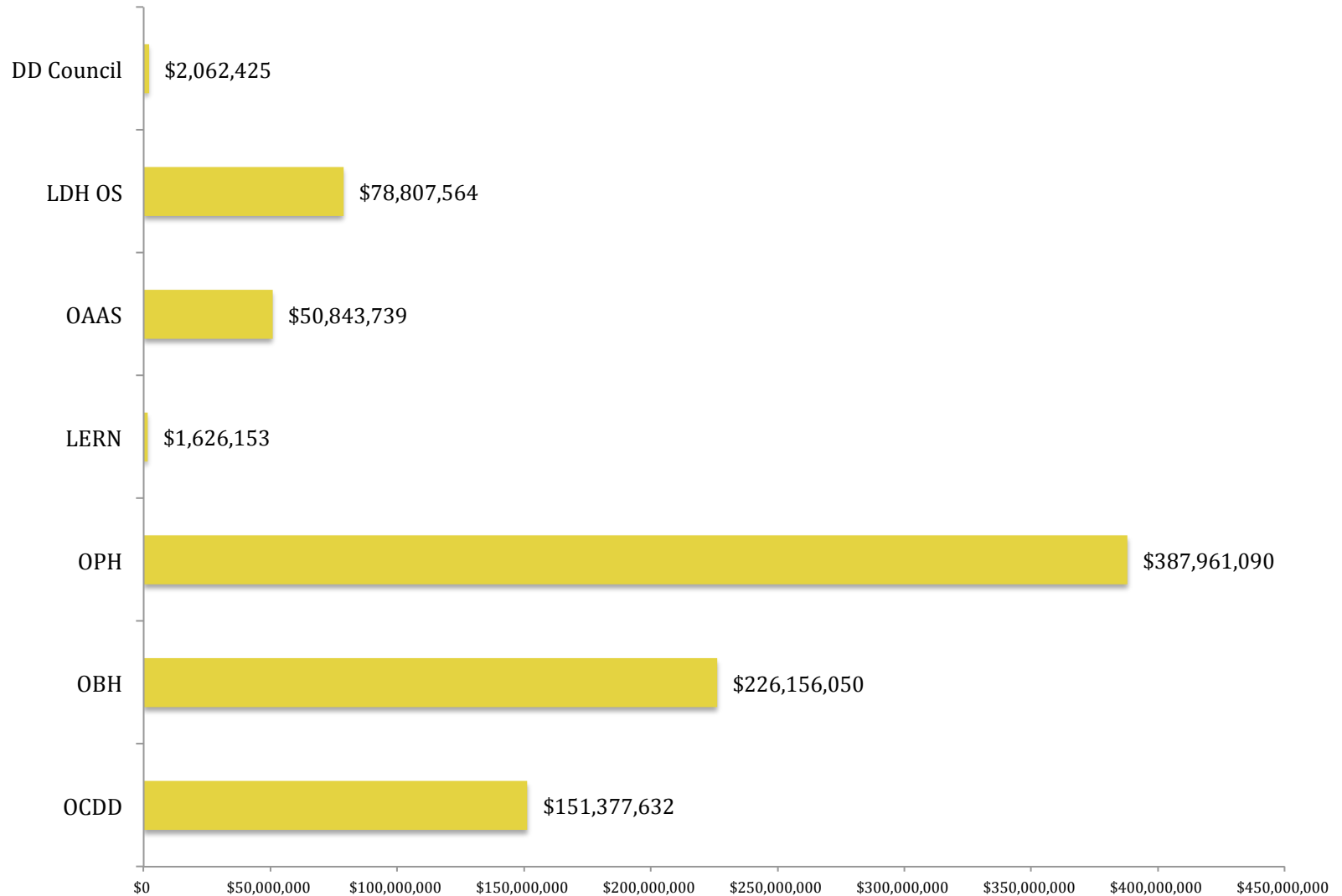




LDH FY18 Recommended Expenditures by Agency

LDH Offices and Other Agencies

These offices and agencies total \$898,834,653, or 6.32% of the Department's total recommended spend in FY18.

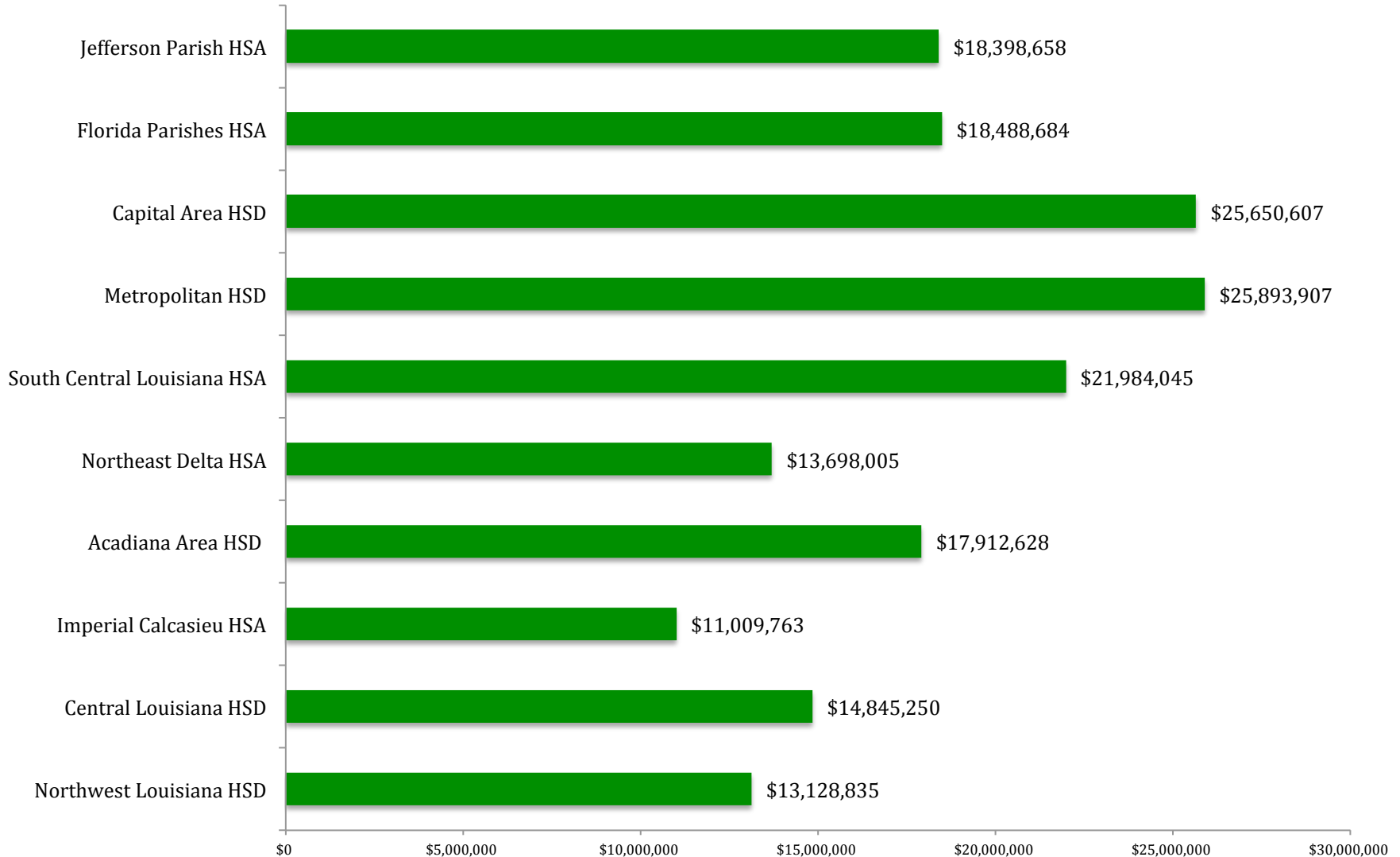




LDH FY18 Recommended Expenditures by Agency

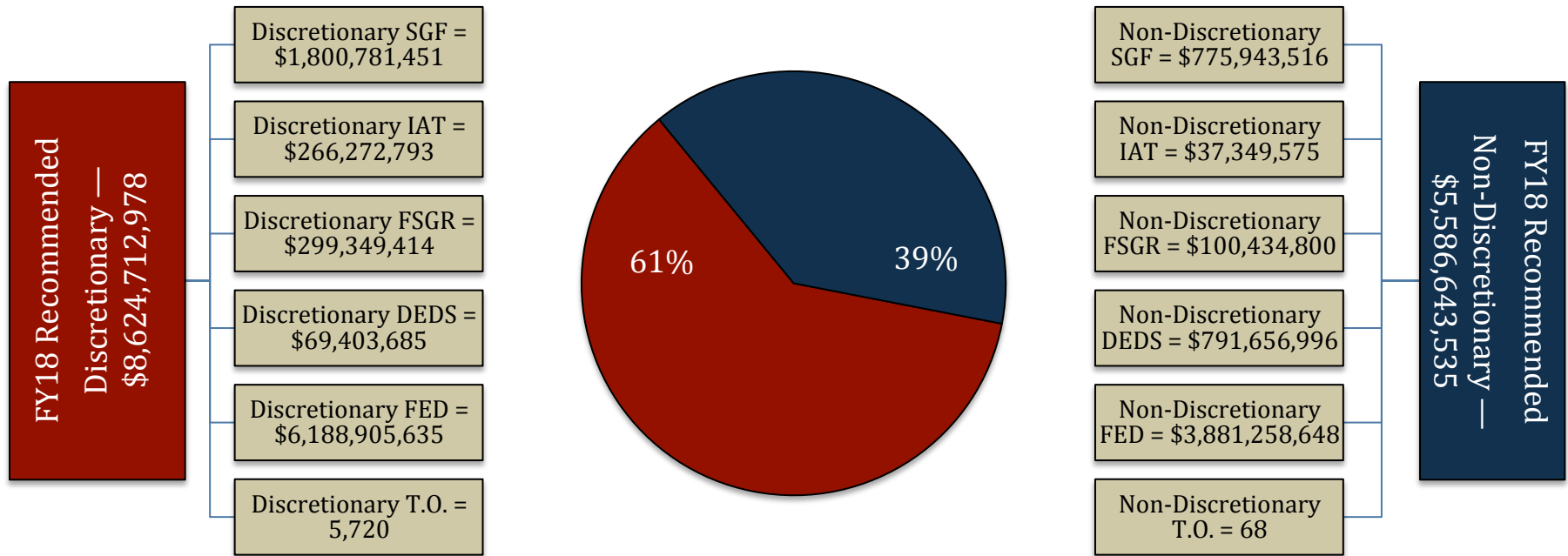
Human Services Authorities and Districts

The HSAs/HSDs total \$181,010,382, or 1.27% of the Department's total recommended spend in FY18.





LDH FY18 Discretionary/Non-Discretionary Comparison





LDH FY18 Discretionary/Non-Discretionary Comparison

Total Discretionary Funding by Agency

Jefferson Parish Human Services Authority	\$ 17,900,223	0.21%
Florida Parishes Human Services Authority	\$ 17,935,127	0.21%
Capital Area Human Services District	\$ 24,114,948	0.28%
Developmental Disabilities Council	\$ 2,044,856	0.02%
Metropolitan Human Services District	\$ 25,343,907	0.29%
Medical Vendor Administration	\$ 516,574,946	5.99%
Medical Vendor Payments	\$ 7,177,156,777	83.22%
Office of the Secretary	\$ 67,200,840	0.78%
South Central Louisiana Human Services Authority	\$ 21,546,765	0.25%
Northeast Delta Human Services Authority	\$ 13,578,684	0.16%
Office of Aging and Adult Services	\$ 44,096,983	0.51%
Louisiana Emergency Response Network	\$ 1,626,153	0.02%
Acadiana Area Human Services Authority	\$ 17,562,134	0.20%
Office of Public Health	\$ 361,719,325	4.19%
Office of Behavioral Health	\$ 137,586,819	1.60%
Office of Citizens w/ Developmental Disabilities	\$ 140,095,500	1.62%
Imperial Calcasieu Human Services Authority	\$ 10,850,763	0.13%
Central Louisiana Human Services District	\$ 14,733,585	0.17%
Northwest Louisiana Human Services District	\$ 13,044,643	0.15%
Total Discretionary	\$ 8,624,712,978	100%

Total Non-Discretionary Funding by Type

Avoidance of a Court Order	\$ 772,907,949	13.83%
Debt Service	\$ 12,776,988	0.23%
Federal Mandate	\$ 4,748,074,240	84.99%
Unavoidable Obligations	\$ 52,884,358	0.95%
Total Non-Discretionary	\$ 5,586,643,535	100%

Avoidance of a Court Order = Provision of Certain Medicaid Services pursuant to Various Settlement Agreements; Forensic Mental Health Services; and the Settlement with the USDA requiring improvement in WIC's Vendor Integrity Unit.

Debt Service = Rent in State-owned Buildings

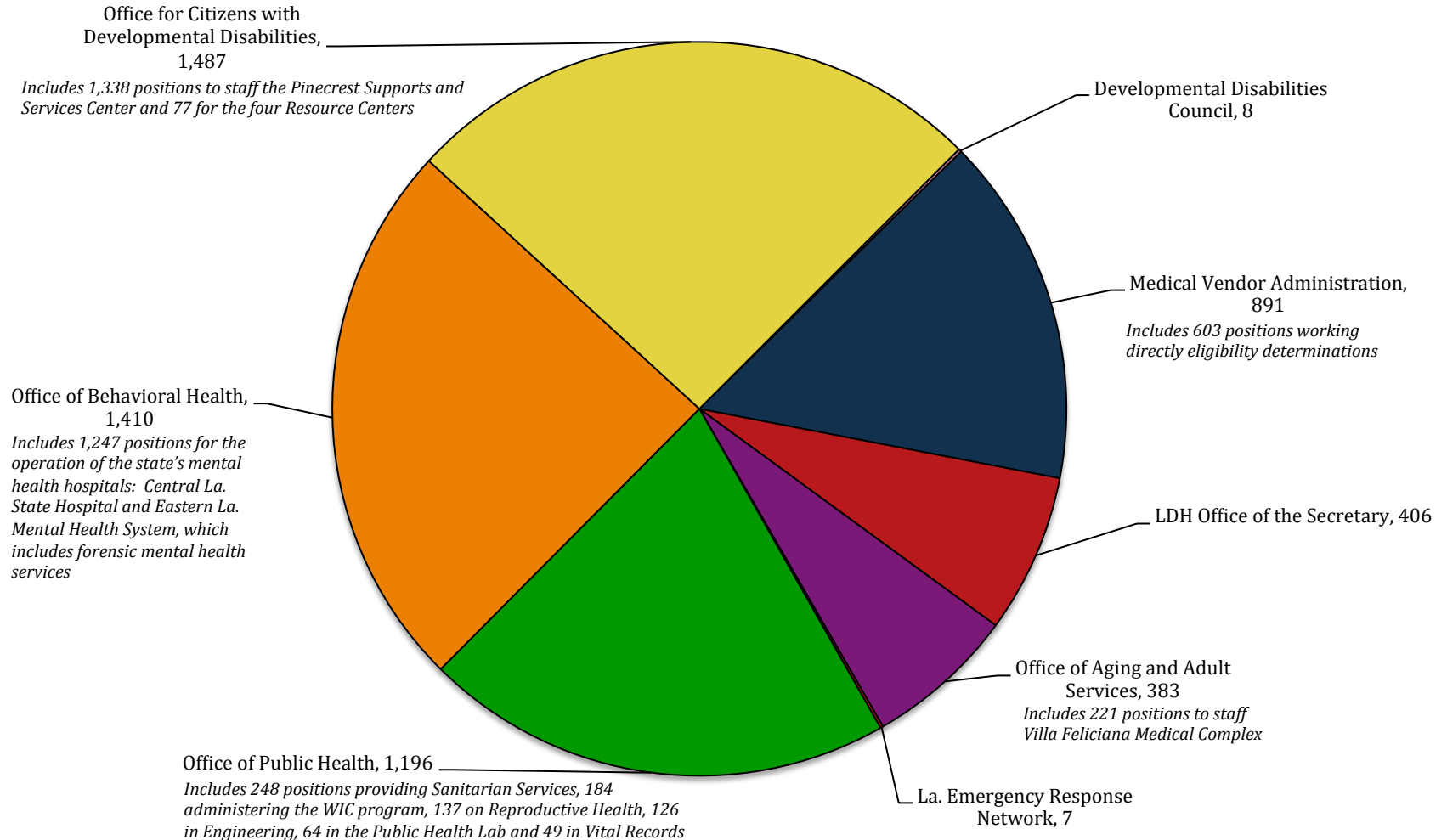
Federal Mandate = Federal Medicaid Requirements; Federal Hurricane Funding; and Safe Drinking Water Act Activities

Unavoidable Obligations = Retirees Group Insurance; Maintenance in State-owned Buildings; and Legislative Auditor Fees.



LDH FY18 Recommended Positions by Agency

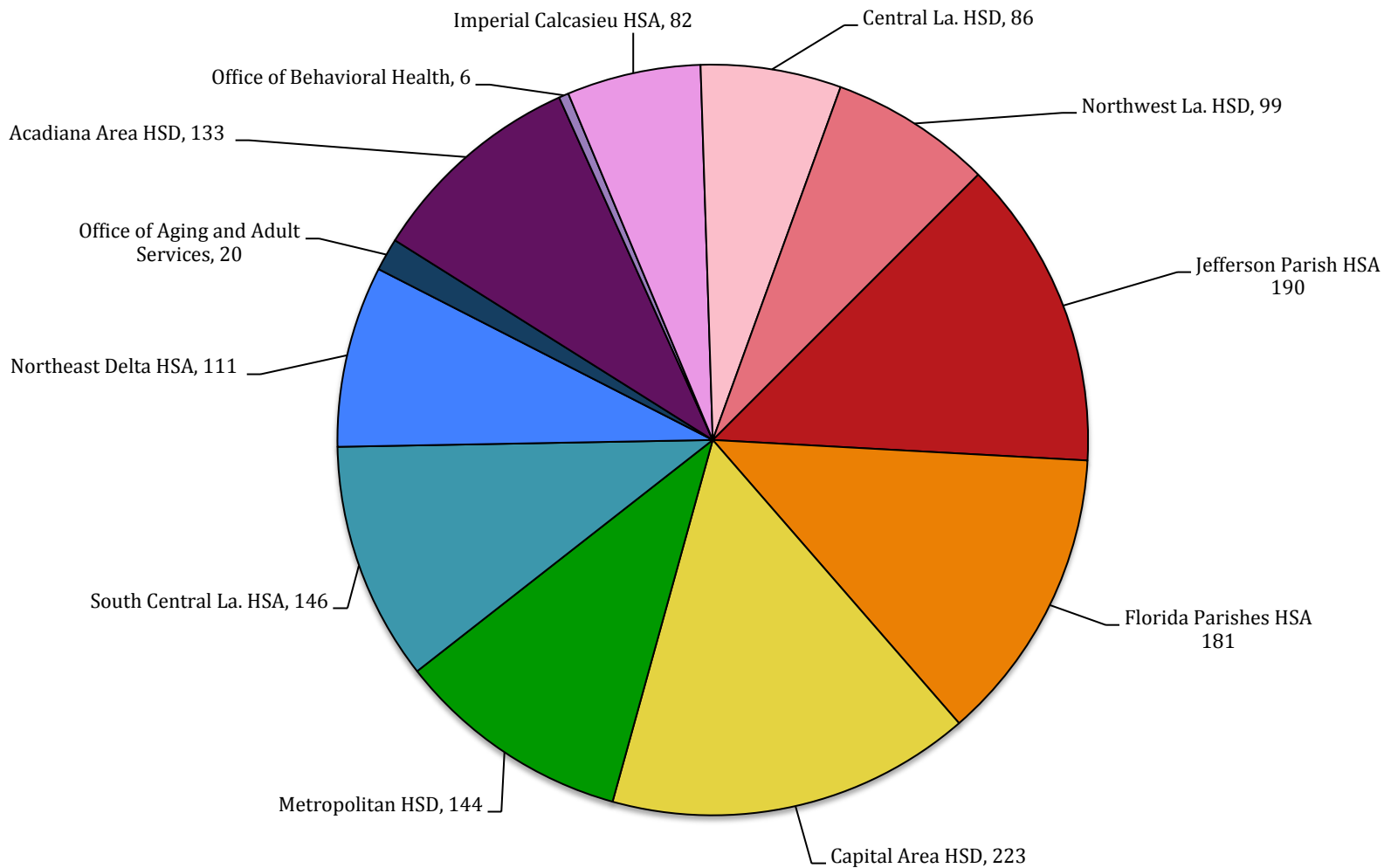
Authorized Positions recommended for FY18 total 5,788.





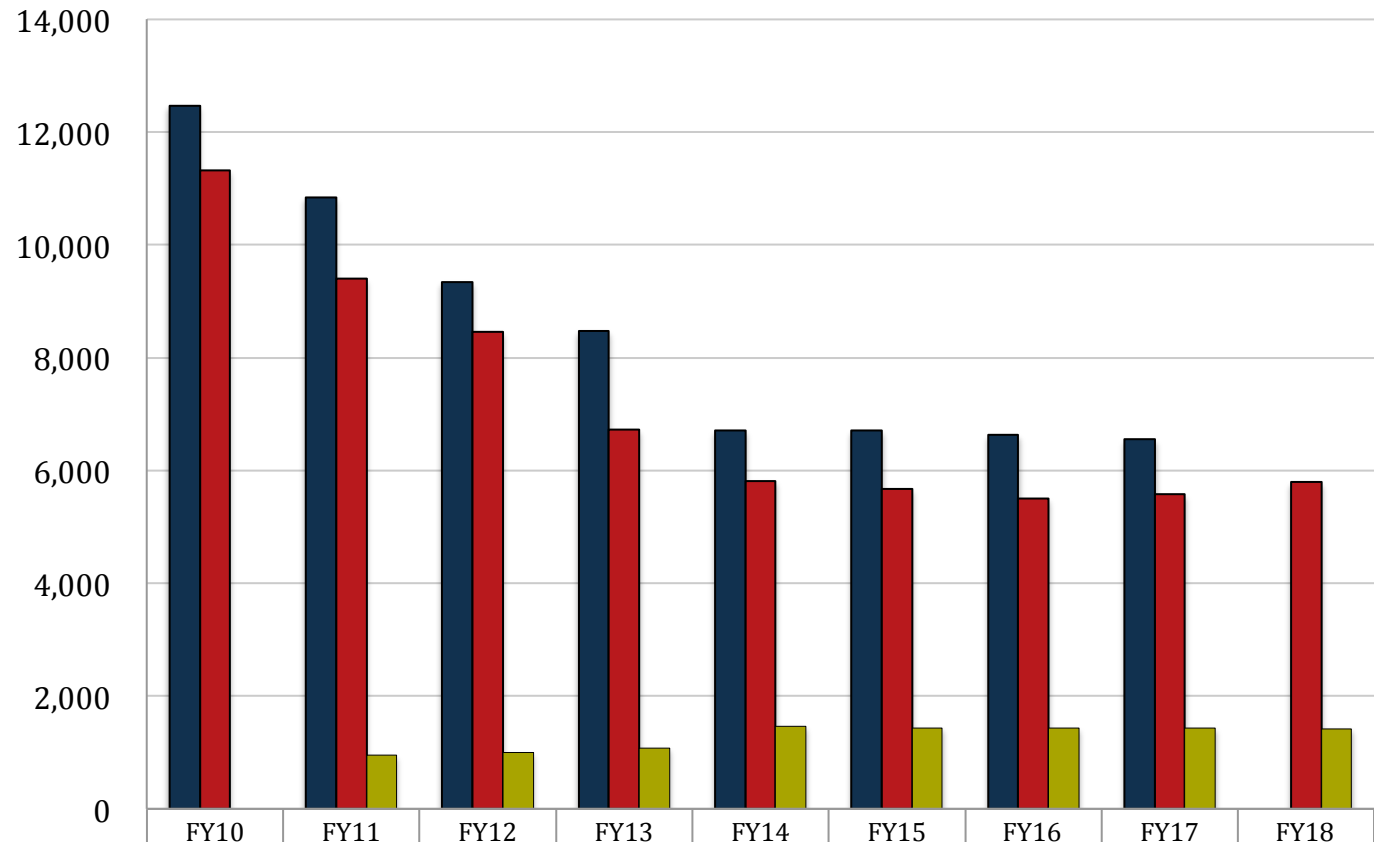
LDH FY18 Recommended Positions by Agency

Authorized Other Charges Positions recommended for FY18 total 1,421.





LDH FTEs, Authorized Positions, and Other Charges Positions History



■ Total FTEs (as of July 1 of each fiscal year)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
■ Total Authorized Positions (Enacted)	12,462	10,839	9,331	8,465	6,706	6,702	6,624	6,546	0
■ Authorized Other Charges Positions	11,322	9,398	8,458	6,718	5,813	5,669	5,502	5,572	5,788
	0	947	997	1,083	1,460	1,438	1,430	1,430	1,421

Notes:

Data for Total FTEs uses the first weekly employment report published by State Civil Service in July at the start of the named fiscal year.

Data for Total Authorized Positions uses fiscal year enacted levels, except for FY18 Recommended.

Data for Other Charges Positions are reflected in the Executive Budget per Act 377 of the 2013 Regular Legislative Session (beginning in FY15).



Significant Budget Adjustments Recommended for FY18

Statewide Adjustments to LDH's Budget

Total	Source	T.O.	Description
\$16,254,172	SGF, IAT, F&SGR, and FF	0	Salary Base Adjustment
(\$15,310,141)	SGF, IAT, F&SGR, and FF	0	Attrition
\$349,819	SGF, IAT, and FF	0	Civil Service Training Series Adjustment
\$6,942,544	SGF, IAT, F&SGR, and FF	0	Retirement Rate Adjustment
\$8,456,172	SGF, IAT, F&SGR, and FF	0	Related Benefits Base Adjustment
\$2,070,504	IAT, F&SGR, and FF	0	Acquisitions & Major Repairs
(\$5,156,694)	SGF, IAT, F&SGR, and FF	0	Non-Recurring Acquisitions & Major Repairs
(\$3,166,357)	SGF, IAT, and FF	0	Risk Management Adjustment
(\$840,420)	SGF and FF	0	Rent in State-Owned Buildings
\$161,313	SGF and FF	0	Maintenance of State-Owned Buildings
\$8,221	SGF	0	Capitol Park Security
\$44,651	SGF	0	Capitol Police
(\$586,263)	SGF	0	Administrative Law Judges
\$40,910	SGF and FF	0	Civil Service Fees
\$427,787	SGF	0	Legislative Auditor Fees
(\$150,647)	SGF and FF	0	Office of State Procurement
\$724,932	SGF, IAT, and FF	0	Office of Technology Services
(\$56,766)	SGF and FF	0	State Treasury Fees
\$4,299	SGF and FF	0	UPS Fees
(\$1,105,995)	SGF, IAT, F&SGR, and FF	0	Non-Recurring Carry Forwards
\$9,112,041	SGF, IAT, F&SGR, and FF	0	Total Statewide Adjustments



Significant Budget Adjustments Recommended for FY18

Human Services Authorities and Districts

Increase	Source	O.C. Pos.	Description
\$39,883	SGF	0	SCLHSA – Provides funding to replace two high-mileage vehicles.
\$46,770	SGF	0	NEDHSA – Provides funding to replace two high-mileage vehicles.
\$22,000	SGF	0	AAHSD – Provides funding to replace one high-mileage vehicles.

Decrease	Source	O.C. Pos.	Description
(\$2,279,306)	SGF and F&SGR	(5)	Annualizes the FY17 mid-year budget reductions into the FY18 budget.
(\$2,252,163)	SGF and F&SGR	(4)	Targeted reductions in the FY18 budget.
(\$3,141,045)	SGF, IAT, F&SGR, and FF	0	Adjustments to balance the FY18 budget to projected revenue collection and to correct the classification of revenues.



Significant Budget Adjustments Recommended for FY18

LDH Office of the Secretary

Increase	Source	T.O.	Description
\$238,000	SGF and FF	2	Provides two positions and the associated funding for the Health Standards Section to ensure compliance with a new set of emergency preparedness requirements from CMS for healthcare providers participating in Medicare and Medicaid.

Decrease	Source	T.O.	Description
(\$393,871)	SGF	(2)	Annualizes the FY17 mid-year budget reductions into the FY18 budget.
(\$654,047)	SGF	0	Targeted reductions in the FY18 budget.
(\$2,000,000)	IAT	0	Non-recurs the funding for the HVAC Generator Program for Hazard Mitigation from GOHSEP as this program ended in the prior fiscal year.
(\$2,386,793)	SD	(4)	Transfers the La. Commission for the Deaf (funding out of the Telecommunications for the Deaf Fund) to OPH.

MOF Swap	Source	T.O.	Description
\$200,000 (\$200,000)	SGF IAT	0	MOF swap compensating for the decline in the Emergency Preparedness Grant within the Office of Public Health in FY 18 as it is necessary to continue operations at the current level per the requirements of the grant.
\$1,335,610 (\$1,335,610)	SGF SD	0	MOF swap replacing Medical Assistance Programs Fraud Detection Fund based on the projected fund balance at the end of FY 18.



Significant Budget Adjustments Recommended for FY18

Medical Vendor Administration

New and Expanded Program	Source	T.O.	Description
\$64,517,563	SGF and FF	0	Provides funding for the Integrated Eligibility Solution, which is the integration of two sub-systems in LDH and the old mainframe system in DCFS with the state's Enterprise Architecture (EA) and Eligibility and Enrollment (E&E) platform.

Increase	Source	T.O.	Description
\$34,325,210	SGF and FF	0	Provides funding for the federally mandated Eligibility and Enrollment (E&E) Modernization Project.
\$6,000,000	SGF and FF	0	Provides funding to cover the costs associated with the CEA between LDH and LSUHSC-NO establishing the Center for Healthcare Transformation.

Decrease	Source	T.O.	Description
(\$11,484,684)	SGF and FF	0	Annualizes the FY17 mid-year budget reductions into the FY18 budget.
(\$1,248,465)	SGF and FF	(1)	Targeted reductions in the FY18 budget.

MOF Swap	Source	T.O.	Description
\$1,200,000 (\$1,200,000)	SGF SD	0	MOF swap balancing the appropriation out of the Medical Assistance Program Fraud Detection Fund to the projected fund balance in FY18.



Significant Budget Adjustments Recommended for FY18

Medical Vendor Payments

Increase	Source	T.O.	Description
\$1,369,577,569	SGF, F&SGR, SD and FF	0	Provides funding for the Healthy Louisiana managed care program, including adjustments for utilization and enrollment increases. This net increase includes a SGF reduction of \$195.4 million. The statutory dedication is the La. Medical Assistance Trust Fund.
\$612,515,201	SGF and FF	0	Provides funding for the June 2017 Healthy Louisiana managed care checkwrite that will not be paid until July 2017.
\$160,917,377	SGF, F&SGR, and FF	0	Reinvests the SGF associated with a reduction in supplemental payments to hospitals, including UPL/FMP and DSH payments, and the resulting increase in federal funding in an increase in the "base rate" for hospital reimbursements.
\$43,474,053	SGF, F&SGR, SD, and FF	0	Provides funding for projected utilization and costs of services in FY18. The statutory dedications are the La. Medical Assistance Trust Fund and Medicaid Trust Fund for the Elderly.
\$39,020,798	SGF and FF	0	Provides funding for the increase in Medicare Part A and Part B premiums and the anticipated increase in the number of Medicare/Medicaid dual eligibles enrolled.
\$25,036,621	SGF and FF	0	Increases funding for Applied Behavior Analysis (ABA) services.
\$18,389,710	SGF	0	Provides funding for the clawback payments to the federal government in FY18 for the dual Medicare/Medicaid eligibles enrolled in Medicare Part D.
\$14,639,606	SGF and FF	0	Provides funding for cost report payments for the Baton Rouge public private partnership hospitals (OLOL and Woman's).
\$13,957,047	SGF and FF	0	Provides funding for the June 2017 dental benefits managed care checkwrite that will not be paid until July 2017.
\$3,339,527	SGF and FF	0	Provides funding for the managed care dental program.



Significant Budget Adjustments Recommended for FY18

Medical Vendor Payments

Decrease	Source	T.O.	Description
(\$343,600,000)	SGF and FF	0	Non-recurs funding for the June 2016 managed care checkwrite that was delayed until July 2016.
(\$171,700,000)	SGF and FF	0	Reduces funding for the managed care premium payments to the rate floor.
(\$94,195,556)	SGF and FF	0	Non-recurs various short-term or one-time Medicaid payments that will not continue into FY18.
(\$84,026,358)	SGF and FF	0	Reduces funding for the LSU PPP Hospitals by 6.2%.
(\$16,400,000)	SGF and FF	0	Reduces SGF funding for supplemental payments to rural hospitals by 50%.
(\$5,000,000)	SGF and FF	0	Annualizes the FY17 mid-year budget reductions into the FY18 budget. <i>(eliminates the post-Katrina GME pool)</i>
(\$999,000)	SGF and FF	0	Annualizes the FY17 mid-year budget reductions into the FY18 budget. <i>(reduces the High Medicaid Upper Payment Limit (UPL) Pool from \$1 million to \$1,000)</i>
(\$999,000)	SGF and FF	0	Annualizes the FY17 mid-year budget reductions into the FY18 budget. <i>(reduces the High Medicaid Disproportionate Share Hospital (DSH) Pool from \$1 million to \$1,000)</i>



Significant Budget Adjustments Recommended for FY18

Medical Vendor Payments

MOF Swap	Source	T.O.	Description
(\$90,581,854) (\$5,997,523) \$96,579,377	SGF F&SGR FF	0	MOF swap of SGF and F&SGR for federal funds due to a FMAP rate change – the FY17 blended rate is 62.26% federal whereas the FY18 blended rate is 63.34% federal and the FY17 straight rate is 62.28% federal whereas the FY18 straight rate is 63.69% federal.
(\$10,092,732) \$10,092,732	SGF SD	0	MOF swaps balancing statutory dedications to the REC Forecast adopted on 1/13/17 and projected fund balances through FY18: Community and Family Support System Fund, -\$63; Health Excellence Fund, -\$194,334; Medicaid Trust Fund for the Elderly, -\$10,527,954; La. Medical Assistance Trust Fund, -\$5,567,702; La. Fund, +\$1,882,785; and Tobacco Tax Medicaid Match Fund, +\$24,500,000.
(\$1,100,000) \$1,100,000	SGF SD	0	MOF swap continuing the FY17 transfer of La. Fund proceeds from the AG to MVP into FY18.
\$12,913,372 (\$12,913,372)	SGF FF	0	MOF swap adjusting the Large Public Hospitals Certified Public Expenditures (CPEs) from the FY 17 level of \$62,376,506 to the FY18 anticipated level of \$49,463,134.
\$24,509,431 (\$24,509,431)	SGF SD	0	MOF swap replacing Medicaid Trust Fund for the Elderly proceeds with SGF as nursing homes were rebased in FY 17 and the corpus of the fund may only be used in the year of a rebase.
(\$25,000,000) \$25,000,000	SGF F&SGR	0	MOF swap increasing local match in the Medicaid program.



Significant Budget Adjustments Recommended for FY18

Office for Aging and Adult Services

Increase	Source	T.O.	Description
\$3,816,525	SGF and FF	32	Provides funding for the first year of the multi-year project for creating system of care changes in response to Department of Justice findings.
\$1,058,004	IAT	0	Provides funding for eight beds at Villa Feliciana Medical Complex for hospital-based physical care service beds for Eastern Louisiana Mental Health System (ELMHS) clients.
\$725,000	SGF and IAT	0	Provides funding for the OAAS Participant Tracking System (OPTS). OPTS is used to track applicants for nursing facilities (NF), Community Choices (CC) and Adult Day Health Care (ADHC) waiver programs, and Long Term - Personal Care Services (LT-PCS) state plan services.
\$600,000	SD	0	Increases funding out of the Nursing Home Residents Trust Fund for demonstration projects to improve the quality of care of Louisiana's nursing home facilities.
\$100,257	IAT	0	Provides funding for an increase in the food service contract by 11% in FY18.

Decrease	Source	T.O.	Description
(\$484,485)	SGF	0	Annualizes the FY17 mid-year budget reductions into the FY18 budget. <i>(includes reductions to the Traumatic Head and Spinal Cord Injury Program)</i>
(\$736,267)	SGF	0	Targeted reductions in the FY18 budget. <i>(includes reductions to the Traumatic Head and Spinal Cord Injury Program)</i>
(\$394,158)	IAT	0	Non-recurs pool funding from Villa to align revenue with actual expenditures.
(\$2,973,029)	SGF	(39)	Transfers the funding and positions associated with the Elderly Protective Services activity to the Governor's Office of Elderly Affairs.



Significant Budget Adjustments Recommended for FY18

Office of Behavioral Health

Increase	Source	T.O.	Description
\$2,975,426	IAT, F&SGR, and FF	0	Annualizes the FY17 ELMHS system redesign and expansion that was approved by JLCB in August 2016 to phase in beds beginning in November and throughout FY17 into the budget for FY18.
\$466,890	SGF and IAT	0	Provides funding for the replacement of computers and laptops.
\$387,657	SGF and IAT	0	Provides funding to increase food service contract by 11% in FY18.
\$116,966	SGF and IAT	0	Provides funding for four replacement vehicles.

Decrease	Source	T.O.	Description
(\$4,691,500)	SGF	(4)	Annualizes the FY17 mid-year budget reductions into the FY18 budget.
(\$416,219)	SGF	(9)	Targeted reductions in the FY18 budget.
(\$899,811)	SD	0	Reduces the appropriation out of the Tobacco Tax Health Care Fund to balance to the revenues projected to be deposited into the fund in FY18.
(\$809,125)	FF	0	Non-recurs federal funding for the Louisiana State Adolescent Treatment Enhancement and Dissemination Program (SAT-ED) grant that expires during FY 2017.



Significant Budget Adjustments Recommended for FY18

Office for Citizens with Developmental Disabilities

Increase	Source	T.O.	Description
\$84,300	IAT	0	Provides funding for three replacement vehicles.
\$240,423	IAT	0	Provides funding for the 11% increase in the food services contract at Pinecrest Supports and Services Center.
\$175,497	SGF and IAT	0	Provides funding for replacement computers, printers and IT equipment; supplies; hardware/software maintenance; and replacement vehicles.
\$4,970,928	IAT	81	Adds 81 positions and the associated funding to meet the required staffing ratio at Pinecrest Supports and Services Center pursuant to Title XIX regulations for the estimated census of 450 individuals in FY18.

Decrease	Source	T.O.	Description
(\$397,253)	SGF	0	Annualizes the FY17 mid-year budget reductions into the FY18 budget.
(\$1,060,194)	SGF	0	Targeted reductions in the FY18 budget. <i>(reduces the Early Steps program by restricting enrollment)</i>
(\$2,671,883)	SGF and IAT	0	Reduces funding for the costs associated with the assessment of individuals currently on the Request for Services Registry. (The reduced costs represent projected assessments to be processed in FY17 for Medicaid-eligible assessments and non-Medicaid eligible assessments.)
(\$250,000)	SGF	0	Non-recurs funding for LATAN.

MOF Swap	Source	T.O.	Description
(\$343,824) \$343,824	SGF FF	0	MOF swap to balance to the current federal grant award for the Early Steps program from the U.S. Department of Education, Individuals with Disabilities Education Act, Part C.



Significant Budget Adjustments Recommended for FY18

Office of Public Health

Increase	Source	T.O.	Description
\$611,502	SGF	0	Provides funding for the increased cost of Factor, a drug used to treat Hemophilia.
\$639,975	IAT	0	Increases funding for anticipated costs associated with the Severe Combined Immunodeficiency (SCID) screening, which is a Medicaid reimbursable test to be added to the Newborn Screening panel.
\$4,736,735	F&SGR	0	Annualizes the fee increases in Act 605 of the 2016 RS for the Safe Drinking Water program into the budget for FY18. Funding for FY17 was only allocated for one-half of the fiscal year, as the increases were implemented on January 1, 2017.
\$2,386,793	SD	4	Transfers the La. Commission for the Deaf (funding out of the Telecommunications for the Deaf Fund) from the Office of the Secretary.
\$2,899,154	FF	0	Increases federal funding for the bioterrorism grant, which provides funding for disaster-related preparedness activities.

Decrease	Source	T.O.	Description
(\$82,827)	SGF	0	Annualizes the FY17 mid-year budget reductions into the FY18 budget.
(\$1,101,100)	SGF	(12)	Targeted reductions in the FY18 budget. <i>(includes the closure of the EBR Public Health Unit for a savings of \$367,034 and 12 positions)</i>
(\$1,033,714)	SGF and FF	0	Partially supplants the loss of \$2,985,345 in federal funding for Zika-related mitigation and prevention activities with \$1,951,631 of state funding.



Significant Budget Adjustments Recommended for FY18

Office of Public Health

MOF Swap	Source	T.O.	Description
\$1,386,793 (\$1,386,793)	SGF SD	0	MOF swap replacing statutory dedications out of the Telecommunications for the Deaf Fund with SGF.
\$227,500 (\$227,500)	SGF FF	0	MOF swap replacing Federal Funds with SGF for the Emergency Medical Staff contract with Response Systems Inc., which provides necessary staffing during emergency response events. This federal grant has been reduced and is no longer available to the Office of Public Health.
(\$3,000,000) \$3,000,000	IAT F&SGF	0	MOF swap decreasing IAT and increasing F&SGR collections from Bayou Health Plans as a result of Medicaid expansion.



LDH FY18 Budget as of House Bill 1 Reengrossed

LDH Agency	FY17 EOB as of 12-1-16	FY17 EOB with Mid-year Reductions	FY18 Recommended	FY18 HB 1 Reengrossed	Difference Reengrossed to Recommended	Difference Reengrossed to FY17 EOB with Mid-year Reductions	Difference Reengrossed to FY17 EOB as of 12-1-16
09 Preamble Reductions	\$0	\$0	\$0	(\$237,377,712)	(\$237,377,712)	(\$237,377,712)	(\$237,377,712)
Jefferson Parish HSA	\$18,702,183	\$17,161,706	\$18,398,658	\$18,398,658	\$0	\$1,236,952	(\$303,525)
Florida Parishes HSA	\$19,028,398	\$18,442,605	\$18,488,684	\$18,488,684	\$0	\$46,079	(\$539,714)
Capital Area HSD	\$25,847,213	\$25,143,522	\$25,650,607	\$25,650,607	\$0	\$507,085	(\$196,606)
DD Council	\$1,987,518	\$1,987,518	\$2,062,425	\$2,062,425	\$0	\$74,907	\$74,907
Metropolitan HSD	\$26,883,308	\$25,685,544	\$25,893,907	\$25,893,907	\$0	\$208,363	(\$989,401)
Medical Vendor Administration	\$410,316,767	\$383,688,405	\$523,535,861	\$523,535,861	\$0	\$139,847,456	\$113,219,094
Medical Vendor Payments	\$11,006,859,366	\$10,550,042,155	\$12,607,975,617	\$12,612,387,617	\$4,412,000	\$2,062,345,462	\$1,605,528,251
LDH Office of the Secretary	\$83,588,629	\$82,204,888	\$78,807,564	\$78,807,564	\$0	(\$3,397,324)	(\$4,781,065)
South Central Louisiana HSA	\$21,952,879	\$21,110,905	\$21,984,045	\$21,984,045	\$0	\$873,140	\$31,166
Northeast Delta HSA	\$15,066,923	\$14,855,452	\$13,698,005	\$13,698,005	\$0	(\$1,157,447)	(\$1,368,918)
OAAS	\$47,608,990	\$46,454,745	\$50,843,739	\$51,421,355	\$577,616	\$4,966,610	\$3,812,365
LERN	\$1,649,515	\$1,621,890	\$1,626,153	\$1,626,153	\$0	\$4,263	(\$23,362)
Acadiana Area HSD	\$18,671,647	\$18,094,252	\$17,912,628	\$17,912,628	\$0	(\$181,624)	(\$759,019)
OPH	\$377,621,204	\$377,146,172	\$387,961,090	\$387,961,090	\$0	\$10,814,918	\$10,339,886
OBH	\$230,157,284	\$230,825,456	\$226,156,050	\$226,514,437	\$358,387	(\$4,311,019)	(\$3,642,847)
OCDD	\$144,780,249	\$146,426,875	\$151,377,632	\$151,627,632	\$250,000	\$5,200,757	\$6,847,383
Imperial Calcasieu HSA	\$11,574,981	\$11,013,909	\$11,009,763	\$11,009,763	\$0	(\$4,146)	(\$565,218)
Central Louisiana HSD	\$15,083,052	\$14,400,431	\$14,845,250	\$14,845,250	\$0	\$444,819	(\$237,802)
Northwest Louisiana HSD	\$14,714,142	\$14,550,510	\$13,128,835	\$13,128,835	\$0	(\$1,421,675)	(\$1,585,307)
Total	\$12,492,094,248	\$12,000,856,940	\$14,211,356,513	\$13,979,576,804	(\$231,779,709)	\$1,978,719,864	\$1,487,482,556
Authorized Positions	5,732	5,732	5,788	5,788	0	56	56
Authorized Other Charges Positions	1,430	1,442	1,421	1,421	0	(21)	(9)



LDH FY18 Means of Financing as of House Bill 1 Reengrossed by Agency

LDH Agency	State General Fund	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	TOTAL
09 Preamble Reductions	(\$237,377,712)	\$0	\$0	\$0	\$0	(\$237,377,712)
Jefferson Parish HSA	\$13,320,369	\$2,303,289	\$2,775,000	\$0	\$0	\$18,398,658
Florida Parishes HSA	\$11,257,771	\$4,976,625	\$2,254,288	\$0	\$0	\$18,488,684
Capital Area HSD	\$15,709,022	\$6,388,477	\$3,553,108	\$0	\$0	\$25,650,607
DD Council	\$507,067	\$0	\$0	\$0	\$1,555,358	\$2,062,425
Metropolitan HSD	\$17,554,030	\$5,755,582	\$1,229,243	\$0	\$1,355,052	\$25,893,907
Medical Vendor Administration	\$118,413,627	\$473,672	\$4,200,000	\$1,051,683	\$399,396,879	\$523,535,861
Medical Vendor Payments	\$2,103,042,440	\$24,603,787	\$320,195,434	\$842,358,353	\$9,322,187,603	\$12,612,387,617
LDH Office of the Secretary	\$44,562,307	\$12,339,668	\$2,650,601	\$1,373,390	\$17,881,598	\$78,807,564
South Central Louisiana HSA	\$14,644,995	\$4,497,870	\$2,841,180	\$0	\$0	\$21,984,045
Northeast Delta HSA	\$9,578,625	\$3,345,536	\$773,844	\$0	\$0	\$13,698,005
OAAS	\$16,583,897	\$29,437,397	\$1,197,437	\$3,334,428	\$868,196	\$51,421,355
LERN	\$1,576,253	\$49,900	\$0	\$0	\$0	\$1,626,153
Acadiana Area HSD	\$13,667,559	\$2,708,873	\$1,536,196	\$0	\$0	\$17,912,628
OPH	\$47,196,802	\$7,955,554	\$47,923,983	\$8,040,956	\$276,843,795	\$387,961,090
OBH	\$104,047,126	\$70,698,565	\$505,309	\$5,190,487	\$46,072,950	\$226,514,437
OCDD	\$23,061,888	\$117,755,422	\$4,054,471	\$0	\$6,755,851	\$151,627,632
Imperial Calcasieu HSA	\$7,513,736	\$2,004,741	\$1,091,337	\$0	\$399,949	\$11,009,763
Central Louisiana HSD	\$9,371,414	\$3,971,053	\$1,502,783	\$0	\$0	\$14,845,250
Northwest Louisiana HSD	\$7,272,478	\$4,356,357	\$1,500,000	\$0	\$0	\$13,128,835
Total	\$2,341,503,694	\$303,622,368	\$399,784,214	\$861,349,297	\$10,073,317,231	\$13,979,576,804



LDH FY17 to FY18 State Effort Comparison

Total State Effort — State General Fund, Dedicated Funds, and Fees and Self-generated Revenues

FY17 EOB as of 12-1-16	FY17 EOB with Mid-year Reductions	<i>Difference</i>	FY18 Recommended	<i>Difference</i>	FY18 HB1 Reengrossed	<i>Difference</i>	<i>Difference</i>
TOTAL STATE EFFORT	TOTAL STATE EFFORT	<i>FY17 EOB as of 12-1-16 vs. FY17 EOB with Mid-year Reductions</i>	TOTAL STATE EFFORT	<i>FY17 EOB with Mid-year Reductions vs. FY18 Recommended</i>	TOTAL STATE EFFORT	<i>FY17 EOB with Mid-year Reductions vs. HB1 Reengrossed</i>	<i>FY18 Recommended vs. HB1 Reengrossed</i>
\$3,932,445,339	\$3,799,089,578	(\$133,355,761)	\$3,837,569,862	\$38,480,284	\$3,602,637,205	(\$196,452,373)	(\$234,932,657)



La. Department of Health

FY18 Budget as of House Bill 1 Reengrossed

House Appropriations Committee Amendments

Agency	Amount	Source	T.O.	Description
All	-	-	-	09 Preamble: Deletes language authorizing the pooling of cash among the various LDH budget units to avoid a cash deficit.
All	-	-	-	09 Preamble: Deletes language authorizing the secretary to transfer, with the COA's approval, up to 25 positions and the associated funding from one budget unit to another or between programs within the same budget unit, up to an aggregate of 100 positions in the fiscal year.
All	-	-	-	09 Preamble: Deletes language authorizing the secretary to transfer, with the COA's approval, up to \$6 million and the related positions between budget units or programs for greater efficiency or cost effectiveness during the fiscal year.
All	(\$155,514,857)	SGF	-	09 Preamble: Adds language directing the commissioner to reduce the SGF appropriation to the department by \$155,514,857, with any funding for vacant positions being the first reduction.
All	(\$81,862,855)	SGF	-	09 Preamble: Adds language directing the commissioner to reduce the SGF appropriation to the department by \$81,862,855, with any funding for vacant positions being the first reduction. (This SGF will instead fund TOPS in a companion amendment to the Board of Regent's budget.)



La. Department of Health

FY18 Budget as of House Bill 1 Reengrossed

House Appropriations Committee Amendments

Agency	Amount	Source	T.O.	Description
MVP	-	-	-	09 Preamble: Restores language requiring submission of the monthly Medicaid projections report to JLCB.
MVP	-	-	-	09 Preamble: Adds language exempting any payments for waiver services, applied behavioral analysis rates, or graduate medical education from budget reductions.
MVP	-	-	-	Adds language requiring the allocations for IGTs received from Opelousas General be at historical levels in FY18.
MVP	\$4,412,000	SGF Federal Funds	-	Provides funding to fill allocated slots in the New Opportunities, Children's Choice, and Residential Options Waiver programs.
MVP	(\$14,639,606)	SGF Federal Funds	-	Reduces funding for the payment of prior year cost reports.
MVP	\$14,639,606	SGF Federal Funds	-	Provides funding for payments to rural hospitals.
MVP	-	-	-	Adds language requiring that any cuts to the PPP hospitals be made on a pro-rata basis of the total funding for each hospital.
MVP	-	-	-	Adds language preventing the department from making any reductions to the PPP hospitals beyond those proposed in the Governor's Executive Budget.
OAAS	\$577,616	SGF Statutory Dedication	0	Provides funding for the Traumatic Head and Spinal Cord Injury Program (Statutory Dedication: Traumatic Head and Spinal Cord Injury Fund).
OBH	\$358,387	Federal Funds	0	Annualizes of the La. Strategic Framework for Prescription Drugs federal grant and the Medication-Assisted Treatment Prescription Drug and Opioid Addiction federal grant.
OCDD	\$250,000	SGF	0	Adds funding for LATAN.



La. Department of Health

FY18 Budget as of House Bill 1 Reengrossed

House Floor Amendments

Agency	Amount	Source	T.O.	Description
MVP	\$0	-	0	Amends language governing restrictions on any cuts in payments to the PPPs to be based on a pro-rata of SGF in lieu of total funding.