



Louisiana Senate Finance Committee



Fiscal Year 2020-2021 Proposed Budget

19-600 –
LSU Health Sciences Center – New Orleans
LSU Health Sciences Center – Shreveport
19-610 –
LSU Health Sciences Center –
Health Care Services Division

June 2020

Senator Patrick Page Cortez, President
Senator Bodi White, Chairman

History of the LSU Hospital System



The History of the LSU Hospital System

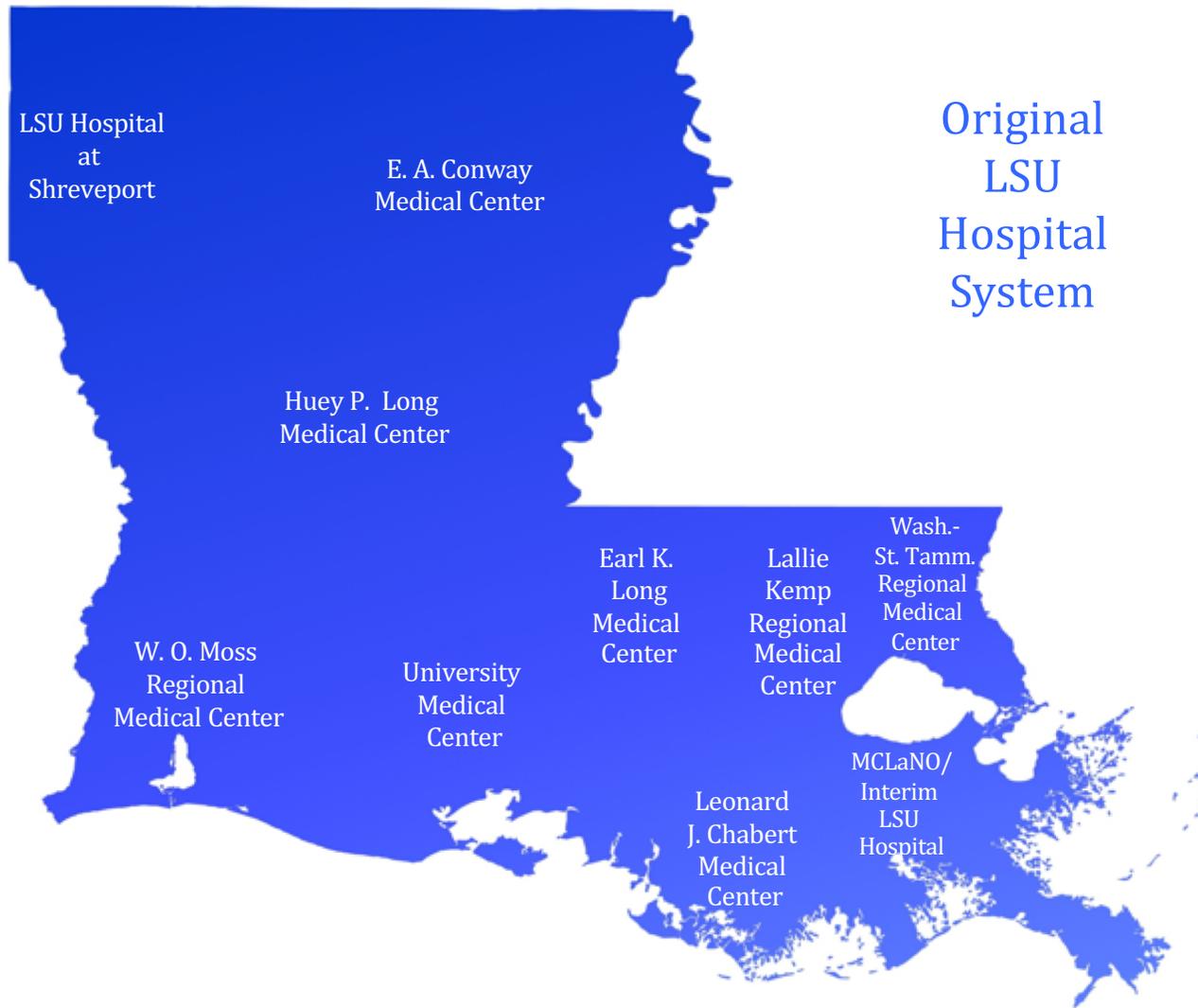
LSU assumed responsibility for the operation of the state's safety net acute care hospital system in 1997, with the enactment of R.S. 17:1519, et seq.

These hospitals also served as the main sites of medical education in the state.

Prior to the privatizations, the LSU Health Care Services Division was comprised of the seven hospitals located in the southern part of the state and aligned with the LSU Health Sciences Center in New Orleans. The LSU Health Sciences Center in Shreveport was responsible for the three hospitals located in central and northern Louisiana.



The LSU Hospital System



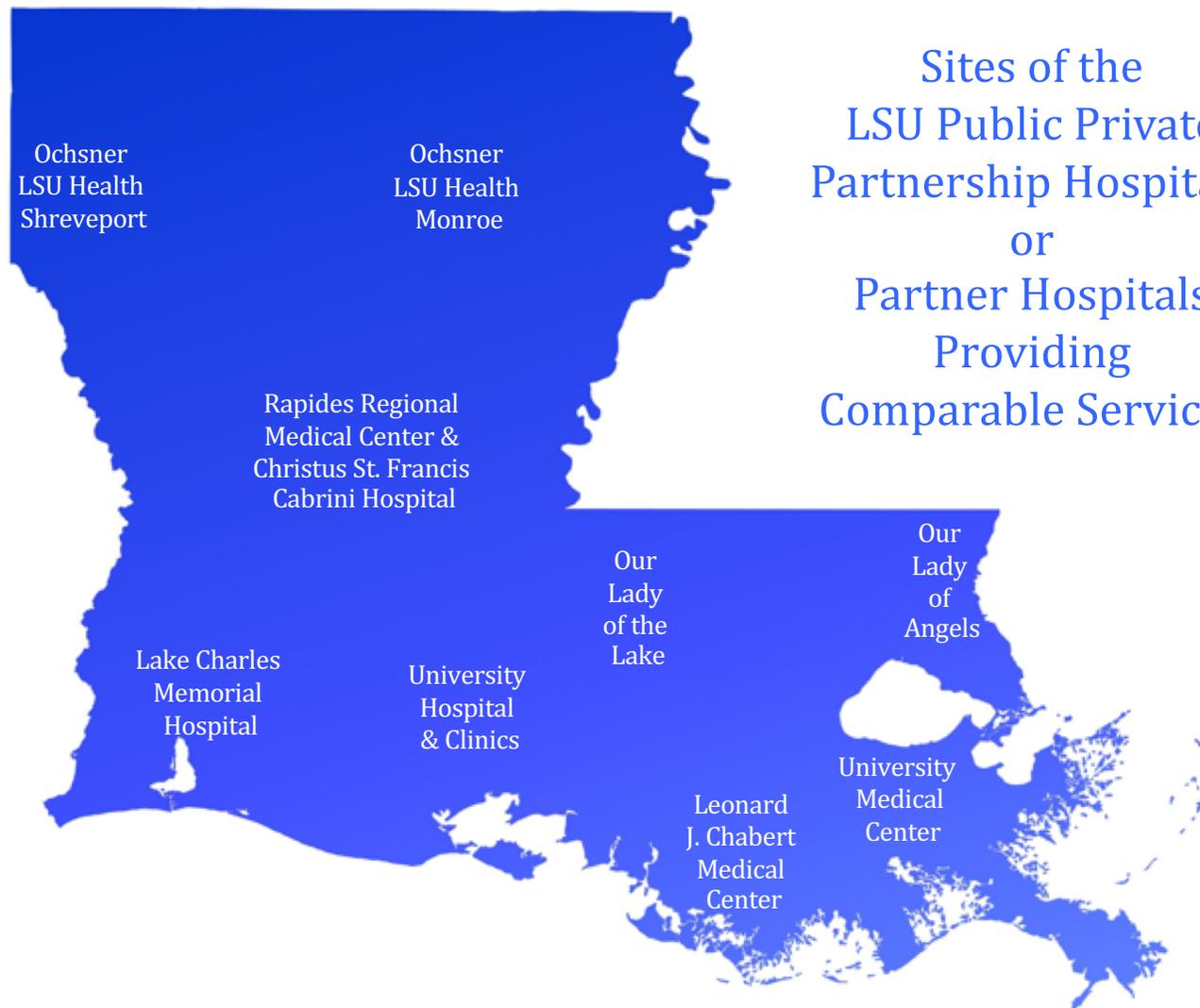


The LSU Hospital System





The LSU Hospital System



Sites of the
LSU Public Private
Partnership Hospitals
or
Partner Hospitals
Providing
Comparable Services



How did 9 of the 10 LSU Hospitals come to be privatized?

- 2/5/2010 — LSU, OLOL and the State enter into the first CEA creating a public private partnership governing the future of an LSU hospital – Earl K. Long Medical Center.
- 7/6/2012 — The U.S. Moving Ahead for Progress in the 21st Century Act of 2012 (Public Law 112-141) is enacted reducing the Disaster FMAP factor and thereby creating a nearly \$300 million shortfall in state funding in the Medicaid Program. The state begins contemplating the future of the LSU Hospitals as the administration grapples with how to close the deficit in the Medicaid budget.
- 7/13/2012 — DHH announces a 24-percent cut in the total budget for the LSU Hospitals as part of the reductions in Medicaid claims and uncompensated care costs payments in response to the reduction in the FMAP.
- 12/10/2012 — DHH and LSU begin a series of announcements of additional public private partnerships to operate LSU hospitals in the future.
- 4/15/2013 — Earl K. Long Medical Center closes and OLOL assumes its inpatient and emergent care and operation of the clinics pursuant to SCR 130 of the 2009 Regular Legislative Session.
- 6/24/2013 — Leonard J. Chabert Medical Center, University Medical Center and Interim LSU Hospital transition to private operation. W.O. Moss Regional Medical Center closes and Lake Charles Memorial Hospital assumes the inpatient and emergent care and operation of the clinics pursuant to SCR 98 of the 2013 Regular Legislative Session.
- 10/1/2013 — LSU Health – Shreveport and E. A. Conway Medical Center transition to private operation.
- 3/16/2014 — Washington–St. Tammany Regional Medical Center/Bogalusa Medical Center transitions to private operation.
- 7/1/2014 — Huey P. Long Medical Center closes and its partner hospitals assume the inpatient and emergent care and operation of the clinics pursuant to SCR 48 of the 2014 Regular Legislative Session.
- 10/1/2018 — The partnership in northern Louisiana with the Biomedical Research Foundation ends and a new partnership between LSU and Ochsner begins as the Ochsner-LSU Health System of North Louisiana comprised of the hospitals in Shreveport and Monroe.



LSU Public Private Partnership Hospitals

The LSU Hospitals Public Private Partnerships (PPPs) involve both the LSU System and the Louisiana Department of Health.

- The LSU Board of Supervisors is entrusted with the ownership and operation of these hospitals pursuant to Title 17 of the Revised Statutes and oversees the cooperative endeavor agreements (CEAs) with the partners now operating the former LSU hospitals or providing replacement services for the closed facilities.
- LDH's Medicaid program contains the financing for the partnerships.

The FY21 Medicaid budget contains the funding for supplemental payments to the private partners that will either operate or provide comparable services in the region of one of the former LSU hospitals.

The partners are scheduled to make an estimated \$163.5 million in lease payments to the state next fiscal year as part of the partnership agreements.

The funding for the Public Private Partnerships also directly impacts the operations of the two Health Sciences Centers as they contract with the partner hospitals to provide the clinical settings for students and residents and their supervising faculty members.



Hospital Privatization Legacy Costs

The legacy costs associated with the privatization of six of the seven LSU Health Care Services Division hospitals include expenses such as the administration of the remaining activities associated with the privatized hospital operations, including managing the use of equipment belonging to the state by the partner hospitals; legal fees; medical records storage; property maintenance; risk management premiums; and retirees' group insurance premiums.

The oversight and maintenance responsibilities of the New Orleans-based properties were transferred from HCSD to the LSU Health Sciences Center – New Orleans in FY16 and the funding transferred in FY17.

The LSU Health Sciences Center – Shreveport is responsible for the legacy costs associated with the privatized hospitals in Monroe and Shreveport and the closed hospital in Alexandria, which include the costs related to the remaining activities of the privatized hospital operations; medical records storage; property maintenance; risk management premiums; and retirees' health and life insurance premiums.

The projected hospital legacy costs for FY21 total \$45.3 million:

- \$24 million for the Health Care Services Division;
- \$6.5 million for the Health Sciences Center in New Orleans; and,
- \$14.8 million for the Health Sciences Center in Shreveport.

**Schedule 19-600 -
LSU Health Sciences Center -
New Orleans**



LSU Health Sciences Center – New Orleans

The mission of the LSU Health Sciences Center – New Orleans is “to provide education, research, and public service through direct patient care and community outreach.” LSUHSC-NO comprises the Schools of Allied Health Professions, Dentistry, Graduate Studies, Medicine, Nursing and Public Health.

The Health Sciences Center also “provides vital public service through direct patient care, including care of indigent and uninsured patients. Health care services are provided through LSUHSC-NO clinics in allied health, dentistry, medicine, nursing, and in numerous affiliated hospitals and clinics throughout Louisiana.”

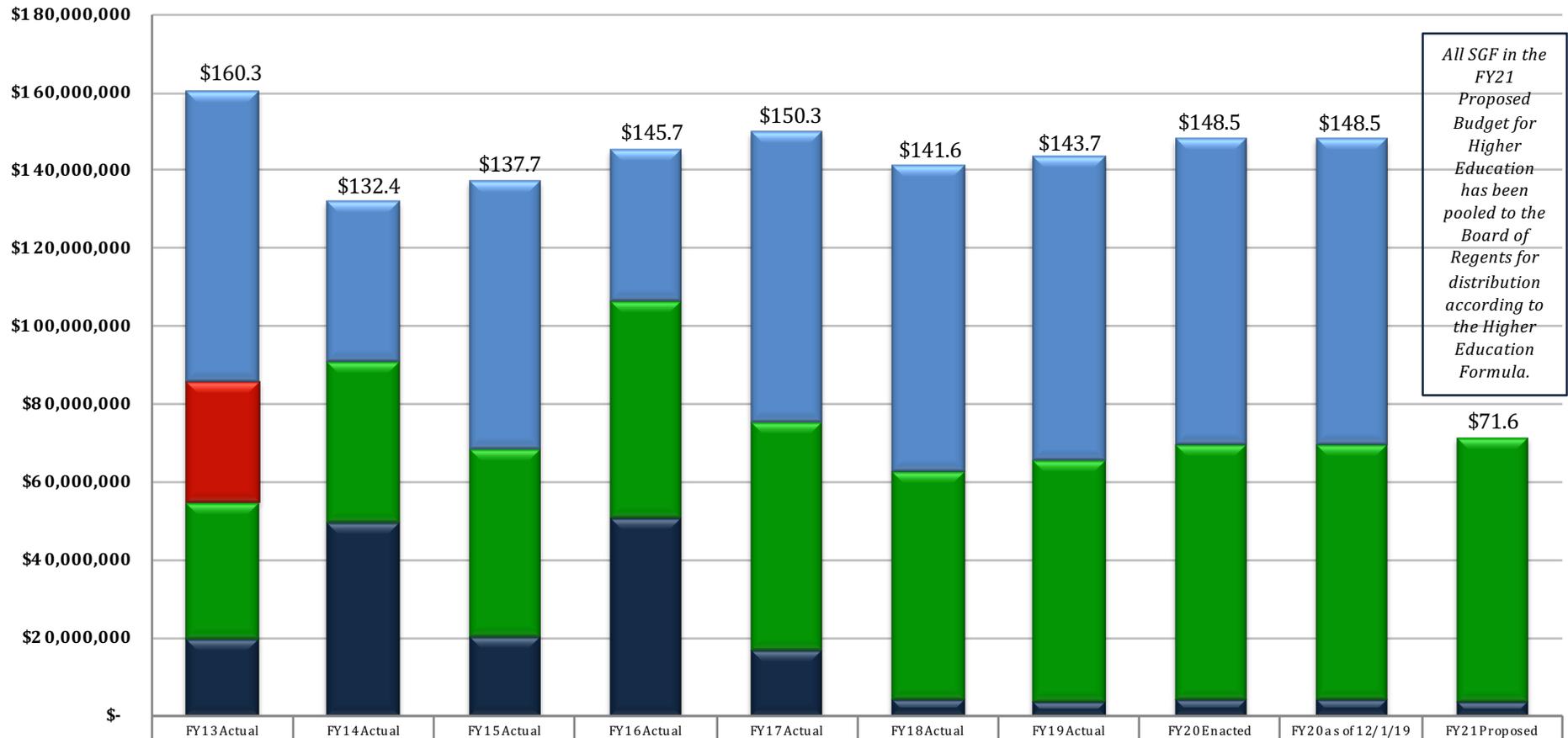
The oversight and maintenance responsibilities of the Health Care Services Division’s New Orleans-based properties were transferred from HCSD to the LSU Health Sciences Center – New Orleans in FY16 and the associated funding for these legacy costs became part of the HSC’s budget in FY17.



Changes in Funding since FY13

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

The decline from FY13 to FY21 totals -3% when adjusted for the placement of SGF within the Board of Regents in the FY21 budget as proposed by the governor.



All SGF in the FY21 Proposed Budget for Higher Education has been pooled to the Board of Regents for distribution according to the Higher Education Formula.

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Actual	FY 20 Enacted	FY 20 as of 12/1/19	FY 21 Proposed
SGF	\$74,502,632	\$41,249,864	\$69,277,530	\$39,455,355	\$74,536,768	\$78,447,984	\$78,035,113	\$79,014,569	\$79,014,569	\$-
IAT	\$30,682,857	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
FSGR	\$35,018,001	\$41,254,897	\$48,041,770	\$55,251,355	\$58,910,443	\$58,996,024	\$61,648,374	\$65,414,006	\$65,414,006	\$67,736,379
STAT DED	\$20,050,844	\$49,884,994	\$20,376,253	\$50,982,229	\$16,816,796	\$4,120,530	\$4,008,726	\$4,116,350	\$4,116,350	\$3,899,259
IEB	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
FED	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-



Means of Finance FY19, FY20 and FY21

Means of Finance	FY19 Actuals	FY20 EOB (as of 12/1/19)	FY21 Proposed	FY21 Over/(Under) FY20
State General Fund (Direct)	\$78,035,113	\$79,014,569	\$0	(\$79,014,569)
Interagency Transfers	\$0	\$0	\$0	\$0
Fees and Self-generated Revenues	\$61,648,374	\$65,414,006	\$67,736,379	\$2,322,373
Statutory Dedications	\$4,008,726	\$4,116,350	\$3,899,259	(\$217,091)
Federal Funds	\$0	\$0	\$0	\$0
<i>Total</i>	<i>\$143,692,213</i>	<i>\$148,544,925</i>	<i>\$71,635,638</i>	<i>(\$76,909,287)</i>

All State General Fund for the Higher Education Institutions has been pooled to the Board of Regents for distribution according to the Higher Education Formula.

Statutory Dedications	FY19 Actuals	FY20 EOB (as of 12/1/19)	FY21 Proposed	FY21 Over/(Under) FY20
Support Education in Louisiana First (SELF) Fund	\$4,008,726	\$4,116,350	\$3,899,259	(\$217,091)
<i>Total</i>	<i>\$4,008,726</i>	<i>\$4,116,350</i>	<i>\$3,899,259</i>	<i>(\$217,091)</i>

The largest portion of the non-State General Fund means of financing for the Health Sciences Center are tuition and other student-based fees and captured as Fees and Self-generated Revenues.



Categorical Expenditures

FY19, FY20, and FY21

Expenditure Category	FY19 Actual	FY20 EOB (as of 12-01-19)	FY21 Proposed		Difference FY19 to FY20
			Proposed Budget	Category as Percent of Total	
Personal Services:	\$92,287,787	\$99,368,449	\$0	0.0%	(\$99,368,449)
Salaries	\$65,986,005	\$69,475,083	\$0	0.0%	(\$69,475,083)
Other Compensation	\$1,519,085	\$1,096,854	\$0	0.0%	(\$1,096,854)
Related Benefits	\$24,782,697	\$28,796,512	\$0	0.0%	(\$28,796,512)
Operating Expenses:	\$31,123,053	\$23,832,497	\$0	0.0%	(\$23,832,497)
Travel	\$416,623	\$389,298	\$0	0.0%	(\$389,298)
Operating Services	\$23,215,573	\$18,396,972	\$0	0.0%	(\$18,396,972)
Supplies	\$7,490,857	\$5,046,227	\$0	0.0%	(\$5,046,227)
Professional Services	\$1,990,826	\$2,165,647	\$0	0.0%	(\$2,165,647)
Other Charges:	\$14,425,330	\$22,791,028	\$71,635,638	100.0%	\$48,844,610
Other Charges	\$5,940,902	\$11,911,129	\$71,635,638	100.0%	\$59,724,509
Debt Service	\$0	\$0	\$0	0.0%	\$0
Interagency Transfers	\$8,484,428	\$10,879,899	\$0	0.0%	(\$10,879,899)
Acquisitions & Major Repairs:	\$3,865,217	\$387,304	\$0	0.0%	(\$387,304)
Acquisitions	\$3,034,592	\$387,304	\$0	0.0%	(\$387,304)
Major Repairs	\$830,625	\$0	\$0	0.0%	\$0
Total Expenditures	\$143,692,213	\$148,544,925	\$71,635,638	100.0%	(\$76,909,287)

All State General Fund for Higher Education in the FY21 Proposed Budget has been pooled to the Board of Regents for distribution according to the Higher Education Formula. As such, all expenditures proposed for FY21 have also been pooled to Other Charges pending the spread of the SGF back into the Health Sciences Center's budget.



Changes in the Budget for FY21

Governor's Proposed Budget for Fiscal Year 2020-21

SGF	IAT	FEES & SGR	STAT DEDS	IEB	FEDERAL FUNDS	TOTAL	EXPLANATION OF ADJUSTMENT
\$79,014,569	\$0	\$65,414,006	\$4,116,350	\$0	\$0	\$148,544,925	<i>FY20 Operating Budget (as of December 1, 2019)</i>
\$4,460,000	\$0	\$0	\$0	\$0	\$0	\$4,460,000	Provides additional funding in FY21 to enhance instruction and research capacity at the Health Sciences Center.
\$0	\$0	\$2,322,373	\$0	\$0	\$0	\$2,322,373	Balances the appropriation of student fees with the projected collections in FY21, which are increasing due to enrollment growth.
\$0	\$0	\$0	(\$217,091)	\$0	\$0	(\$217,091)	Balances the appropriation out of the SELF Fund with projected earnings in FY21.
(\$83,474,569)	\$0	\$0	\$0	\$0	\$0	(\$83,474,569)	Transfers the general fund appropriation to the Board of Regents.
(\$79,014,569)	\$0	\$2,322,373	(\$217,091)	\$0	\$0	(\$76,909,287)	<i>Total Adjustments</i>
\$0	\$0	\$67,736,379	\$3,899,259	\$0	\$0	\$71,635,638	<i>Total Governor's Proposed Budget for FY21</i>



Changes in the Budget for FY21

2020 Regular Legislative Session Action on the Fiscal Year 2020-2021 Budget - Summary of House Bill No. 105

SGF	IAT	FEES & SGR	STAT DEDS	IEB	FEDERAL FUNDS	TOTAL	POINT IN THE APPROPRIATION PROCESS
\$0	\$0	\$67,736,379	\$3,899,259	\$0	\$0	\$71,635,638	Governor's FY20 Proposed Budget
\$0	\$0	\$0	\$0	\$0	\$0	\$0	Adjustments to Governor's Proposed Budget by Rep. Zeringue
\$0	\$0	\$67,736,379	\$3,899,259	\$0	\$0	\$71,635,638	House Bill 105 - Original
\$0	\$0	\$0	(\$373,042)	\$0	\$0	(\$373,042)	Balances the appropriation out of the Support Education in Louisiana First (SELF) Fund to the most recent REC Forecast.
\$0	\$0	\$0	(\$373,042)	\$0	\$0	(\$373,042)	Total House Appropriations Committee Amendments
\$0	\$0	\$0	\$0	\$0	\$0	\$0	Total House Floor Amendments
\$0	\$0	\$67,736,379	\$3,526,217	\$0	\$0	\$71,262,596	Total - House Bill 105

2020 Extraordinary Legislative Session Action on the Fiscal Year 2020-2021 Budget - Summary of House Bill No. 1

SGF	IAT	FEES & SGR	STAT DEDS	IEB	FEDERAL FUNDS	TOTAL	POINT IN THE APPROPRIATION PROCESS
\$0	\$0	\$67,736,379	\$3,526,217	\$0	\$0	\$71,262,596	House Bill No. 105 - Reengrossed
\$0	\$0	\$0	\$0	\$0	\$0	\$0	Adjustments from HB105 to HB1 by Rep. Zeringue
\$0	\$0	\$67,736,379	\$3,526,217	\$0	\$0	\$71,262,596	House Bill No. 1 - Original
\$71,313,200	\$0	\$0	\$0	\$0	\$0	\$71,313,200	Distributes State General Fund back to the individual higher education institutions from the Board of Regents. This adjustment takes into account the general fund reductions proposed in HB105 for Higher Education as well as the use of the Coronavirus Relief Fund to reduce the reliance on State General Fund in FY21.
\$71,313,200	\$0	\$0	\$0	\$0	\$0	\$71,313,200	Total House Appropriations Committee Amendments
\$71,313,200	\$0	\$67,736,379	\$3,526,217	\$0	\$0	\$142,575,796	Total Appropriated for FY21 in House Bill 1



LSU HSC-NO Staff Demographic Data

Gender	
Female	1,307
Male	879
Race	
American Indian or Alaska Native	6
Asian	179
Black or African American	572
Hispanic	90
Native Hawaiian or Other Pacific Islander	1
White	1,277
Other	60
Retirement Eligible within 1 Year	717



LSU HSC-NO COVID-19 Funding and Medical Response

Funding

The Health Sciences Center received a total of \$1.4 million under the CARES Act Higher Education Emergency Relief Fund – \$695,618 for direct grants to students and \$695,618 for the HSC.

In addition, the allocation of CARES Act Coronavirus Relief Fund revenues to the HSC totals \$5.35 million.

Examples of the Health Sciences Center's Role in the Medical Response to the Pandemic

The faculty and residents of the HSC have been treating COVID-19 patients at its partner teaching hospitals in New Orleans, Metairie, Slidell, Baton Rouge, Lafayette, Bogalusa, Lake Charles, Houma and Independence. The nursing students are also contributing to the delivery of care. The HSC also worked to ensure that faculty providing clinical services could access telemedicine technology to continue to see patients via virtual visits.

Further, LSU Health New Orleans Infectious Diseases and Pulmonary/Critical Care faculty in Baton Rouge partnered with the LSU School of Veterinary Medicine to stand up a COVID-19 test lab.

Faculty members are also aiding the City of New Orleans and state health departments in responding to the pandemic.

LSU Health New Orleans School of Medicine also worked on a randomized clinical trial to evaluate the safety and effectiveness of hydroxychloroquine alone, and in combination, as a treatment for COVID-19.

**Schedule 19-600 -
LSU Health Sciences Center -
Shreveport**



LSU Health Sciences Center – Shreveport

The mission of the LSU Health Sciences Center – Shreveport is “to teach, heal, and discover in order to advance the North Louisiana region.” LSUHSC-S comprises the Schools of Medicine, Graduate Studies, and Allied Health Professions.

The Health Sciences Center is comprised of “a faculty of nationally and internationally-acclaimed physicians and scientists that leads its research efforts, educates its students and provides primary and specialty care to patients throughout the region.”

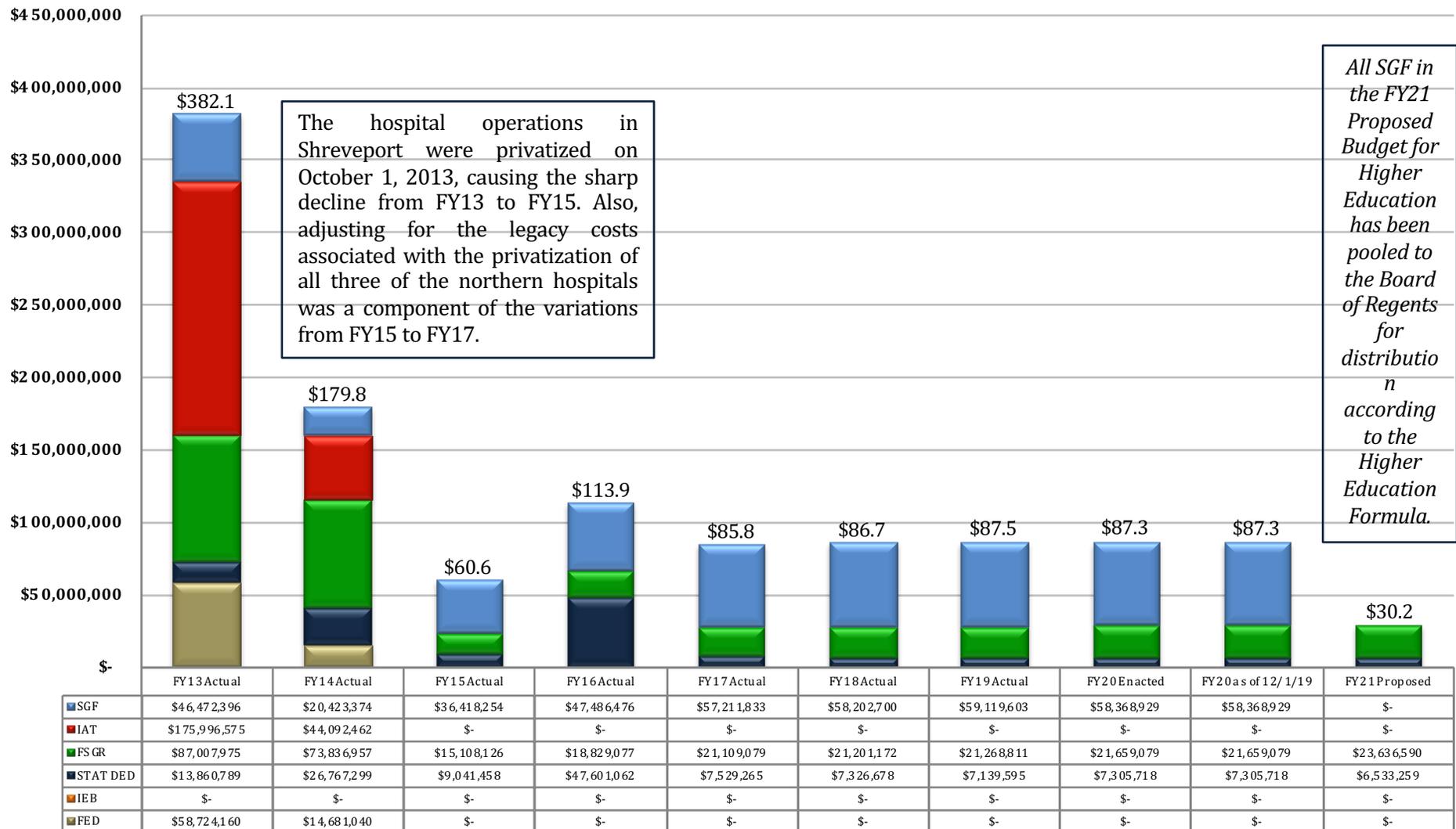
The legacy costs for the three HSC-S hospitals that have been privatized are also a component of the Center’s budget.



Changes in Funding since FY13

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

The decline from FY13 to FY21 totals -76% when adjusted for the placement of SGF within the Board of Regents in the FY21 budget as proposed by the governor.





Means of Finance FY19, FY20 and FY21

Means of Finance	FY19 Actuals	FY20 EOB (as of 12/1/19)	FY21 Proposed	FY21 Over/(Under) FY20
State General Fund (Direct)	\$59,119,603	\$58,368,929	\$0	(\$58,368,929)
Interagency Transfers	\$0	\$0	\$0	\$0
Fees and Self-generated Revenues	\$21,268,811	\$21,659,079	\$23,636,590	\$1,977,511
Statutory Dedications	\$7,139,595	\$7,305,718	\$6,533,259	(\$772,459)
Federal Funds	\$0	\$0	\$0	\$0
<i>Total</i>	<i>\$87,528,009</i>	<i>\$87,333,726</i>	<i>\$30,169,849</i>	<i>(\$57,163,877)</i>

All State General Fund for the Higher Education Institutions has been pooled to the Board of Regents for distribution according to the Higher Education Formula.

The largest portion of the non-State General Fund means of financing for the Health Sciences Center are tuition and other student-based fees and captured as Fees and Self-generated Revenues.

Statutory Dedications	FY19 Actuals	FY20 EOB (as of 12/1/19)	FY21 Proposed	FY21 Over/(Under) FY20
Support Education in Louisiana First (SELF) Fund	\$2,607,018	\$2,677,010	\$2,535,828	(\$141,182)
Tobacco Tax Health Care Fund	\$4,532,577	\$4,628,708	\$3,997,431	(\$631,277)
<i>Total</i>	<i>\$7,139,595</i>	<i>\$7,305,718</i>	<i>\$6,533,259</i>	<i>(\$772,459)</i>

The appropriation out of the Tobacco Tax Health Care Fund to provide funding for the operation of the Feist-Weiller Cancer Center of the LSU Health Sciences Center in Shreveport.



Categorical Expenditures

FY19, FY20, and FY21

Expenditure Category	FY19 Actual	FY20 EOB (as of 12-01-19)	FY21 Proposed		Difference FY19 to FY20
			Proposed Budget	Category as Percent of Total	
Personal Services:	\$54,174,581	\$48,668,301	\$0	0.0%	(\$48,668,301)
Salaries	\$29,113,235	\$23,366,208	\$0	0.0%	(\$23,366,208)
Other Compensation	\$1,152,747	\$1,035,746	\$0	0.0%	(\$1,035,746)
Related Benefits	\$23,908,599	\$24,266,347	\$0	0.0%	(\$24,266,347)
Operating Expenses:	\$20,069,641	\$22,432,881	\$0	0.0%	(\$22,432,881)
Travel	\$144,304	\$165,563	\$0	0.0%	(\$165,563)
Operating Services	\$18,998,684	\$20,565,881	\$0	0.0%	(\$20,565,881)
Supplies	\$926,653	\$1,701,437	\$0	0.0%	(\$1,701,437)
Professional Services	\$2,734,756	\$2,528,274	\$0	0.0%	(\$2,528,274)
Other Charges:	\$9,072,269	\$12,046,685	\$30,169,849	100.0%	\$18,123,164
Other Charges	\$3,189,831	\$6,547,816	\$30,169,849	100.0%	\$23,622,033
Debt Service	\$0	\$0	\$0	0.0%	\$0
Interagency Transfers	\$5,882,438	\$5,498,869	\$0	0.0%	(\$5,498,869)
Acquisitions & Major Repairs:	\$1,476,762	\$1,657,585	\$0	0.0%	(\$1,657,585)
Acquisitions	\$1,476,762	\$1,657,585	\$0	0.0%	(\$1,657,585)
Major Repairs	\$0	\$0	\$0	0.0%	\$0
Total Expenditures	\$87,528,009	\$87,333,726	\$30,169,849	100.0%	(\$57,163,877)

All State General Fund for Higher Education in the FY21 Proposed Budget has been pooled to the Board of Regents for distribution according to the Higher Education Formula. As such, all expenditures proposed for FY21 have also been pooled to Other Charges pending the spread of the SGF back into the Health Sciences Center's budget.



Changes in the Budget for FY21

Governor's Proposed Budget for Fiscal Year 2020-21

SGF	IAT	FEES & SGR	STAT DEDS	IEB	FEDERAL FUNDS	TOTAL	EXPLANATION OF ADJUSTMENT
\$58,368,929	\$0	\$21,659,079	\$7,305,718	\$0	\$0	\$87,333,726	<i>FY20 Operating Budget (as of December 1, 2019)</i>
\$1,340,000	\$0	\$0	\$0	\$0	\$0	\$1,340,000	Provides additional funding in FY21 to enhance instruction and research capacity at the Health Sciences Center.
\$0	\$0	\$1,977,511	\$0	\$0	\$0	\$1,977,511	Balances the appropriation of student fees with the projected collections in FY21, which are increasing due to enrollment growth.
\$0	\$0	\$0	(\$141,182)	\$0	\$0	(\$141,182)	Balances the appropriation out of the SELF Fund with projected earnings in FY21.
\$0	\$0	\$0	(\$631,277)	\$0	\$0	(\$631,277)	Balances the appropriation out of the Tobacco Tax Health Care Fund with projected earnings in FY21.
(\$59,708,929)	\$0	\$0	\$0	\$0	\$0	(\$59,708,929)	Transfers the general fund appropriation to the Board of Regents.
(\$58,368,929)	\$0	\$1,977,511	(\$772,459)	\$0	\$0	(\$57,163,877)	<i>Total Adjustments</i>
\$0	\$0	\$23,636,590	\$6,533,259	\$0	\$0	\$30,169,849	<i>Total Governor's Proposed Budget for FY21</i>



Changes in the Budget for FY21

2020 Regular Legislative Session Action on the Fiscal Year 2020-2021 Budget – Summary of House Bill No. 105

SGF	IAT	FEES & SGR	STAT DEDS	IEB	FEDERAL FUNDS	TOTAL	POINT IN THE APPROPRIATION PROCESS
\$0	\$0	\$23,636,590	\$6,533,259	\$0	\$0	\$30,169,849	Governor's FY20 Proposed Budget
\$0	\$0	\$0	\$0	\$0	\$0	\$0	Adjustments to Governor's Proposed Budget by Rep. Zeringue
\$0	\$0	\$23,636,590	\$6,533,259	\$0	\$0	\$30,169,849	House Bill 105 – Original
\$0	\$0	\$0	(\$242,603)	\$0	\$0	(\$242,603)	Balances the appropriation out of the Support Education in Louisiana First (SELF) Fund to the most recent REC Forecast.
\$0	\$0	\$0	\$388,755	\$0	\$0	\$388,755	Balances the appropriation out of the Tobacco Tax Health Care Fund to the most recent REC Forecast.
\$0	\$0	\$0	\$146,152	\$0	\$0	\$146,152	Total House Appropriations Committee Amendments
\$0	\$0	\$0	\$0	\$0	\$0	\$0	Total House Floor Amendments
\$0	\$0	\$23,636,590	\$6,679,411	\$0	\$0	\$30,316,001	Total – House Bill 105

2020 Extraordinary Legislative Session Action on the Fiscal Year 2020-2021 Budget – Summary of House Bill No. 1

SGF	IAT	FEES & SGR	STAT DEDS	IEB	FEDERAL FUNDS	TOTAL	POINT IN THE APPROPRIATION PROCESS
\$0	\$0	\$23,636,590	\$6,679,411	\$0	\$0	\$30,316,001	House Bill No. 105 – Reengrossed
\$0	\$0	\$0	\$0	\$0	\$0	\$0	Adjustments from HB105 to HB1 by Rep. Zeringue
\$0	\$0	\$23,636,590	\$6,679,411	\$0	\$0	\$30,316,001	House Bill No. 1 – Original
\$49,460,400	\$0	\$0	\$0	\$0	\$0	\$49,460,400	Distributes State General Fund back to the individual higher education institutions from the Board of Regents. This adjustment takes into account the general fund reductions proposed in HB105 for Higher Education as well as the use of the Coronavirus Relief Fund to reduce the reliance on State General Fund in FY21.
\$49,460,400	\$0	\$0	\$0	\$0	\$0	\$49,460,400	Total House Appropriations Committee Amendments
\$49,460,400	\$0	\$23,636,590	\$6,679,411	\$0	\$0	\$79,776,401	Total Appropriated for FY21 in House Bill 1



LSU HSC-S Staff Demographic Data

Gender	
Female	1,263
Male	1,427
Race	
American Indian or Alaska Native	4
Asian	510
Black or African American	391
Hispanic	78
Native Hawaiian or Other Pacific Islander	1
White	1,706
Retirement Eligible within 1 Year	717



LSU HSC-S COVID-19 Funding and Medical Response

Funding

The Health Sciences Center received a total of \$316,992 under the CARES Act Higher Education Emergency Relief Fund – \$158,496 for direct grants to students and \$158,496 for the HSC.

In addition, the allocation of CARES Act Coronavirus Relief Fund revenues to the HSC totals \$7.3 million.

Examples of the Health Sciences Center's Role in the Medical Response to the Pandemic

The faculty and residents of the HSC are treating COVID-19 patients at its partner teaching hospitals.

The HSC is also involved in three clinical trials. The first clinical trial, working in conjunction with Massachusetts General Hospital and the University of Alabama-Birmingham, is an international study testing the use of inhaled nitric oxide to improve outcomes for COVID-19 patients with severely damaged lungs. The second also centers around the use of inhaled nitric oxide but rather is working to assess the effectiveness of inhaled nitric oxide as a treatment for patients with mild to moderate cases of COVID-19. Finally, the Health Sciences Center is studying the use of convalescent plasma therapy to treat to COVID-19 patients at Ochsner LSU Health Shreveport Academic Medical Center.

The Health Sciences Center began operating the Emerging Viral Threat (EVT) Laboratory on March 25, 2020. The EVT Lab was the first lab in North Louisiana approved by the Centers for Medicare and Medicaid (CMS) to conduct and analyze tests for COVID-19.

**Schedule 19-610 -
LSU Health Sciences Center -
Health Care Services Division**



Health Care Services Division

The budget for the Health Care Services Division (HCSD) is composed of the operating expenses of Lallie Kemp Regional Medical Center (LKRMC) and the legacy costs associated with the privatized HCSD hospitals.

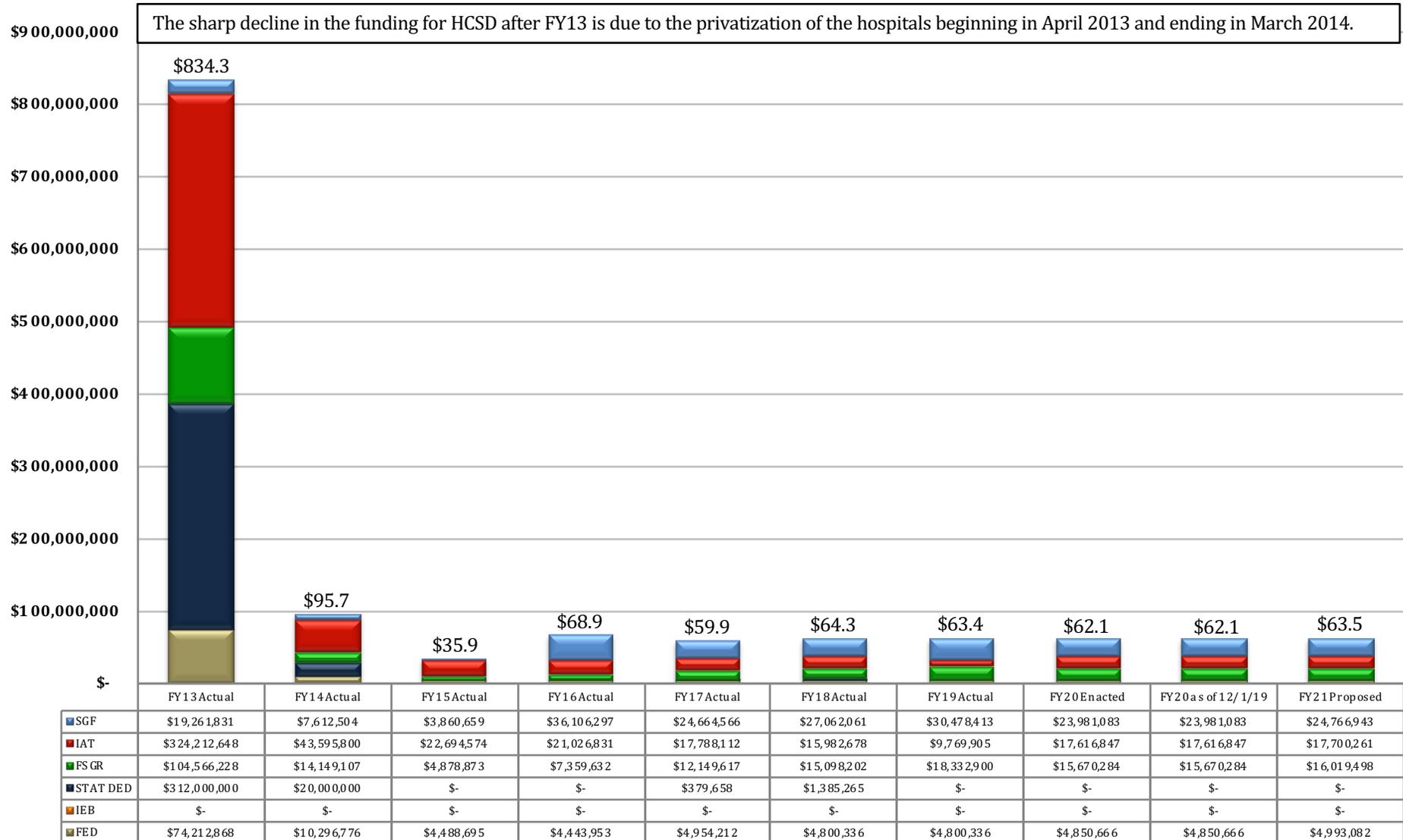
- Lallie Kemp Regional Medical Center is an 15-bed, Critical Access Hospital serving the Florida Parishes and is located in Independence, Louisiana. The hospital provides acute, primary and general critical medical services, including approximately 34,000 clinic visits and 22,000 emergency department visits per year. Hospital admissions total approximately 500 per year resulting in roughly 1,700 acute patient days each year. Lallie Kemp also has a teaching mission – working with the LSU Health Sciences Center in New Orleans in resident training and serving as a teaching site for nursing and allied health students through its partnerships with the Job Corps School to Work program, La. Technical College, Southeastern La. University, Southwest Mississippi Community College, and North Shore Career College.
- The legacy costs associated with the privatization of the HCSD hospitals include expenses such as the administration of the remaining activities associated with the privatized hospital operations, including managing the use of equipment belonging to the state by the partner hospitals; legal fees; medical records storage; property maintenance; risk management premiums; and retirees' group insurance premiums.



Changes in HCSD's Funding since FY13

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

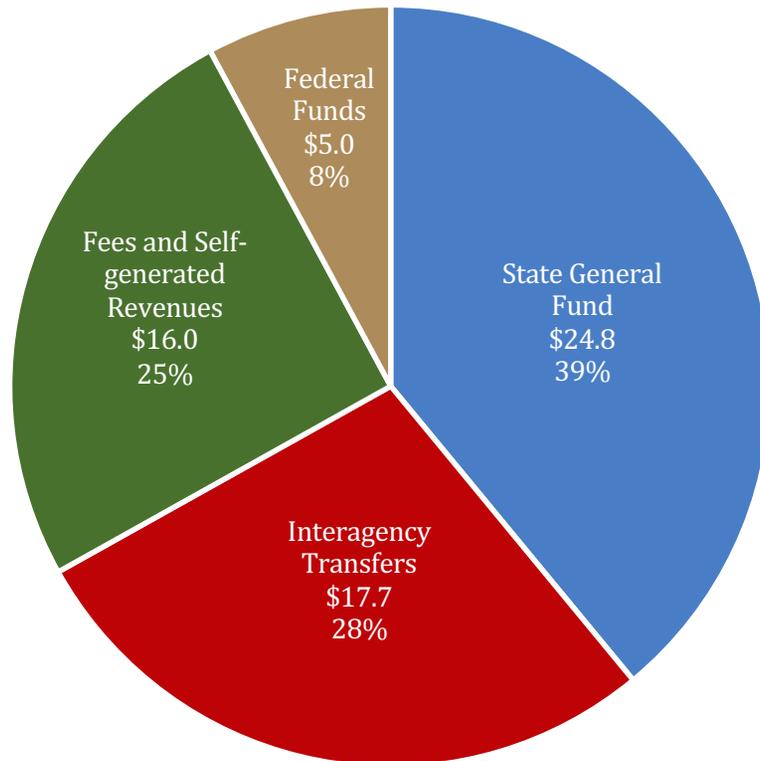
The decline from FY13 to FY21 totals -92%.





HCSD's FY21 Means of Financing

FY21 Proposed Budget (in millions)



Sources of Revenues for the Health Care Services Division

The majority of the non-State General Fund means of financing for HCSD are patient-based revenues:

- Payments from the Medicaid – Uncompensated Care Costs program for the provision of inpatient and outpatient medical services to the medically indigent;
- Payments for the provision of inpatient and outpatient medical services to Medicaid enrollees;
- Payments for medical services provided to Medicare enrollees;
- Commercial/self-pay revenues; and,
- Funds transferred from the Department of Corrections for the costs of providing medical services to prisoners.

HCSD also collects non-patient revenues. These revenues stem from pharmacy processing fees, medical records processing fees, proceeds from hospital cafeterias, etc.



HCSD Means of Financing FY19, FY20 and FY21

Means of Finance	FY19 Actuals	FY20 EOB (as of 12/1/19)	FY21 Proposed	FY21 Over/(Under) FY20
State General Fund (Direct)	\$30,478,413	\$23,981,083	\$24,766,943	\$785,860
Interagency Transfers	\$9,769,905	\$17,616,847	\$17,700,261	\$83,414
Fees and Self-generated Revenues	\$18,332,900	\$15,670,284	\$16,019,498	\$349,214
Statutory Dedications	\$0	\$0	\$0	\$0
Federal Funds	\$4,800,336	\$4,850,666	\$4,993,082	\$142,416
<i>Total</i>	<i>\$63,381,554</i>	<i>\$62,118,880</i>	<i>\$63,479,784</i>	<i>\$1,360,904</i>

Of the FY21 total proposed funding of \$63.5 million, the funding for legacy costs totals \$19.8 million and for Lallie Kemp Regional Medical Center, \$43.7 million. HCSD will have to finance \$4.2 million of their projected legacy costs in FY21 out of their restricted accounts.



HCS D Categorical Expenditures

FY19, FY20, and FY21

Expenditure Category	FY19 Actual	FY20 EOB (as of 12-01-19)	FY21 Proposed		Difference FY19 to FY20
			Proposed Budget	Category as Percent of Total	
Personal Services:	\$45,180,034	\$39,241,887	\$40,083,785	63.1%	\$841,898
Salaries	\$18,739,327	\$14,601,381	\$15,190,122	23.9%	\$588,741
Other Compensation	\$0	\$0	\$0	0.0%	\$0
Related Benefits	\$26,440,707	\$24,640,506	\$24,893,663	39.2%	\$253,157
Operating Expenses:	\$15,637,857	\$8,951,627	\$8,951,627	14.1%	\$0
Travel	\$754	\$12,291	\$12,291	0.0%	\$0
Operating Services	\$6,930,615	\$4,481,685	\$4,481,685	7.1%	\$0
Supplies	\$8,706,488	\$4,457,651	\$4,457,651	7.0%	\$0
Professional Services	\$981,820	\$1,833,086	\$1,833,086	2.9%	\$0
Other Charges:	\$1,424,758	\$11,711,821	\$12,230,827	19.3%	\$519,006
Other Charges	\$302,982	\$11,439,740	\$11,439,740	18.0%	\$0
Debt Service	\$0	\$0	\$0	0.0%	\$0
Interagency Transfers	\$1,121,776	\$272,081	\$791,087	1.2%	\$519,006
Acquisitions & Major Repairs:	\$157,085	\$380,459	\$380,459	0.6%	\$0
Acquisitions	\$157,085	\$380,459	\$380,459	0.6%	\$0
Major Repairs	\$0	\$0	\$0	0.0%	\$0
Total Expenditures	\$63,381,554	\$62,118,880	\$63,479,784	100.0%	\$1,360,904



HCS D's FY21 Proposed Budget

Major Changes in the Budget for FY21

This agency's only adjustments were statewide adjustments that resulted in an increase in the budget for FY21 totaling approximately \$1.4 million.

Governor's Proposed Budget for Fiscal Year 2020-21

SGF	IAT	FEES & SGR	STAT DEDS	FEDERAL FUNDS	TOTAL	EXPLANATION OF ADJUSTMENT
\$23,981,083	\$17,616,847	\$15,670,284	\$0	\$4,850,666	\$62,118,880	<i>FY20 Operating Budget (as of December 1, 2019)</i>
\$322,148	\$28,120	\$349,214	\$0	\$142,416	\$841,898	Market Rate Adjustment for Classified Personnel
\$457,203	\$55,294	\$0	\$0	\$0	\$512,497	Risk Management Premiums
\$6,509	\$0	\$0	\$0	\$0	\$6,509	Civil Service Fees
\$785,860	\$83,414	\$349,214	\$0	\$142,416	\$1,360,904	<i>Total Statewide Standard Adjustments</i>
\$24,766,943	\$17,700,261	\$16,019,498	\$0	\$4,993,082	\$63,479,784	<i>Total Governor's Proposed Budget for FY21</i>

Legislative Action on the FY21 Budget

For HCS D, there is no difference between the FY21 budget as proposed by the governor and the amount that was contained in HB 105 – Reengrossed as the regular session ended or HB 1 of this session in its current format.



Health Care Services Division

Enacted Appropriation vs. Actual Expenditure Analysis — FY17 to FY19

The following charts show Enacted vs. Actual budget comparisons for the specified fiscal years. Rarely are these totals exactly the same. The differences can be attributed to a number of reasons: revenue that was not collected, and therefore, expenditures that could not be made; unanticipated revenue shortfalls that may require a supplemental appropriation; expenditure authority that was anticipated to be needed but the expense never materialized; etc.

LSU-HCSD	FY17 Enacted	FY17 Actual	FY17 Difference
State General Fund	\$24,664,566	\$24,664,566	\$0
Interagency Transfers	\$21,883,724	\$17,788,112	(\$4,095,612)
Fees and Self-generated Revenues	\$11,972,658	\$12,149,617	\$176,959
Statutory Dedications	\$0	\$379,658	\$379,658
Federal	\$4,800,336	\$4,954,212	\$153,876
TOTAL	\$63,321,284	\$59,936,165	(\$3,385,119)

Note 1 – Negative *Difference* numbers show excess budget authority or less revenue than anticipated.

Note 2 — Cells highlighted in yellow mean more funding was needed or that a funding source was underbudgeted.

LSU-HCSD	FY18 Enacted	FY18 Actual	FY18 Difference
State General Fund	\$24,427,906	\$27,062,061	\$2,634,155
Interagency Transfers	\$18,383,724	\$15,982,678	(\$2,401,046)
Fees and Self-generated Revenues	\$15,472,658	\$15,098,202	(\$374,456)
Statutory Dedications	\$0	\$1,385,265	\$1,385,265
Federal	\$4,800,336	\$4,800,336	\$0
TOTAL	\$63,084,624	\$64,328,542	\$1,243,918

The nature of operating a hospital requires updates in financing throughout the year based on the payment source associated with the insurance coverage of the patient base receiving health care services.

LSU-HCSD	FY19 Enacted	FY19 Actual	FY19 Difference
State General Fund	\$ 24,427,906	\$ 30,478,413	\$6,050,507
Interagency Transfers	\$ 17,542,527	\$ 9,769,905	(\$7,772,622)
Fees and Self-generated Revenues	\$ 15,472,658	\$ 18,332,900	\$2,860,242
Statutory Dedications	\$ -	\$ -	\$0
Federal	\$ 4,800,336	\$ 4,800,336	\$0
TOTAL	\$ 62,243,427	\$ 63,381,554	\$1,138,127



Health Care Services Division Staff Demographic Data

Gender	
Female	349
Male	115
Race	
Asian	7
Black or African American	151
Hispanic	6
White	300
Retirement Eligible within 1 Year	85



LSU HSC-HCSD COVID-19 Funding and Medical Response

Funding

Lallie Kemp Regional Medical Center has received funds from the General Allocation of the CARES Act Provider Relief Fund.

- On April 10, 2020, LKRMC received \$359,741.21.
- On April 24, 2020, LKRMC received \$196,833.41.

In addition, of the total reported by the U.S. Department of Health and Human Services of payments out of all three allocations of the Provider Relief Fund as of June 1, 2020, LKRMC was reported to have received a total of \$4.5 million. This total would be inclusive of the amounts received in April.

Lallie Kemp Regional Medical Center's Role in the Medical Response to the Pandemic

As a safety net hospital, Lallie Kemp has treated and will continue to treat COVID-19 patients throughout the pandemic. Lallie Kemp was also one of the sites at which the faculty and residents of the LSU HSC-NO provided care.