



Louisiana Senate Finance Committee



Fiscal Year 2025-2026 Executive Budget Recommendations

19-610 – LSU Health Care Services Division

April 2025

*Senator Cameron Henry, President
Senator Glen Womack, Chairman*

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



LSU Health Care Services Division

The budget for the Health Care Services Division (HCSD) is composed primarily of the operating expenses of the one remaining LSU hospital – Lallie Kemp Regional Medical Center. In addition, funding for the legacy costs associated with the privatized HCSD hospitals is within HCSD's budget.



Lallie Kemp Regional Medical Center is a 15-bed, Critical Access Hospital serving the Florida Parishes located in Independence, Louisiana.



Photo Source: LSU Spirit of Charity Emergency Medicine Residency Program Website

The hospital provides acute, primary and general critical medical services –

- Over 28,000 clinic visits and 17,000 emergency department visits per year and
- Approximately 350 hospital admissions per year resulting in roughly 1,300 acute patient days.

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 various partnerships.

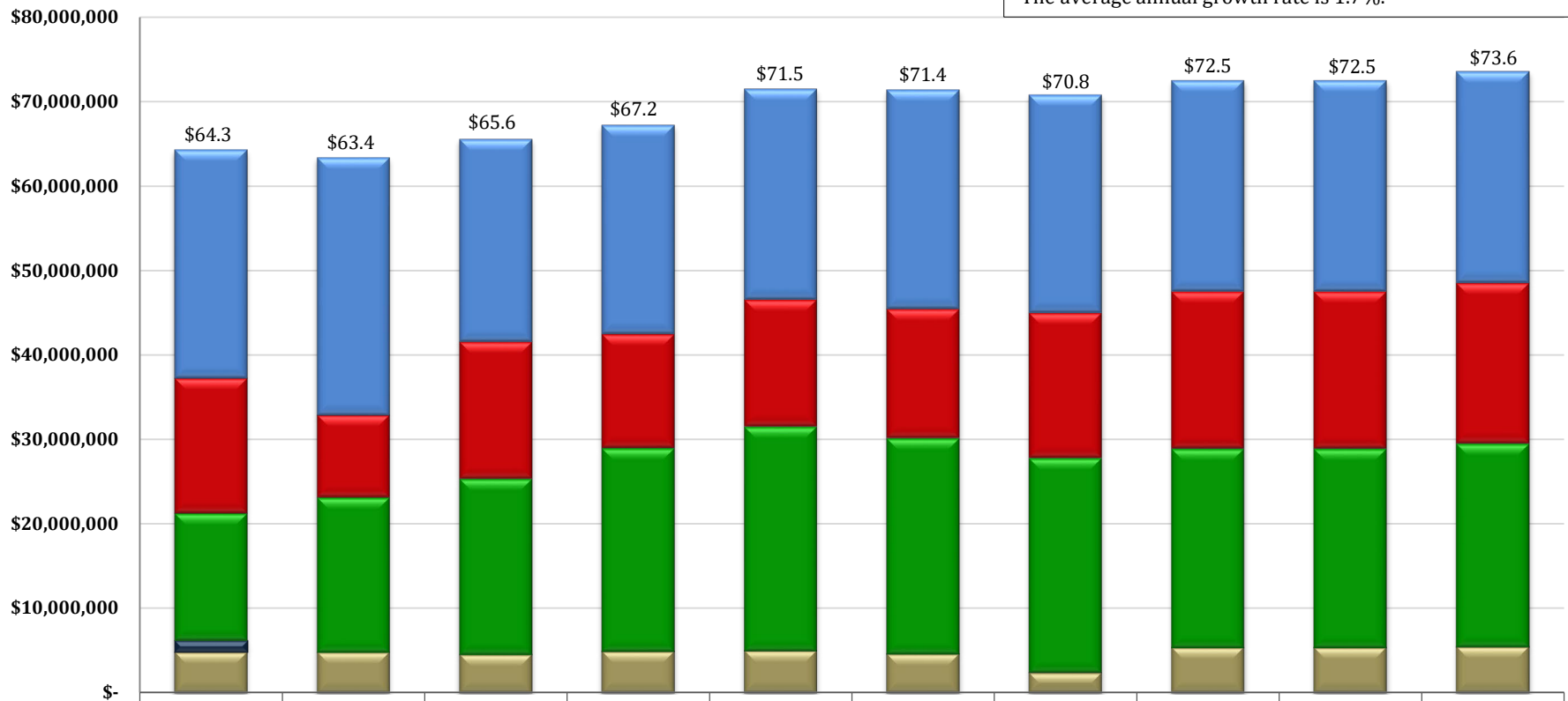


Budget History

Total Budget by Fiscal Year and Means of Finance

(in millions)

HCSD's total budget has grown by 14.4% from FY18 to FY26.
The average annual growth rate is 1.7%.



	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Enacted	FY25 as of 12/1/24	FY26 Recommended Budget
SGF	\$27,062,061	\$30,478,413	\$23,981,083	\$24,766,943	\$24,983,780	\$25,996,281	\$25,829,112	\$25,004,833	\$25,004,833	\$25,070,651
IAT	\$15,982,678	\$9,769,905	\$16,242,432	\$13,501,079	\$15,022,372	\$15,284,109	\$17,160,848	\$18,603,701	\$18,603,701	\$19,005,954
FSGR	\$15,098,202	\$18,332,900	\$20,817,468	\$24,090,518	\$26,562,473	\$25,556,672	\$25,378,952	\$23,575,560	\$23,575,560	\$24,071,001
STAT DED	\$1,385,265	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
FED	\$4,800,336	\$4,800,336	\$4,521,952	\$4,882,311	\$4,948,076	\$4,592,363	\$2,430,182	\$5,322,790	\$5,322,790	\$5,442,624



FY26 Recommended Budget Adjustments

Governor's Executive Budget Recommendations for Fiscal Year 2025-2026

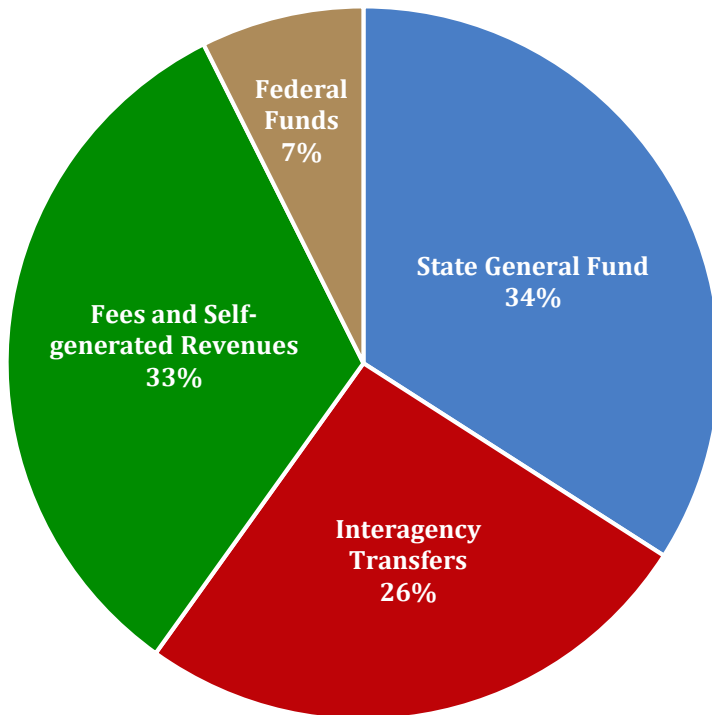
SGF	IAT	FEES & SGR	STAT DEDS	FEDERAL FUNDS	TOTAL	EXPLANATION OF ADJUSTMENT
\$25,004,833	\$18,603,701	\$23,575,560	\$0	\$5,322,790	\$72,506,884	<i>FY25 Operating Budget as of December 1, 2024</i>
\$68,050	\$257,079	\$355,375	\$0	\$75,612	\$756,116	Market Rate Adjustment for Classified Personnel
(\$24,223)	(\$91,510)	(\$126,500)	\$0	(\$26,915)	(\$269,148)	Retirement Rate Adjustment
\$9,170	\$34,642	\$47,888	\$0	\$10,189	\$101,889	Group Insurance Adjustments for Active Employees
\$54,854	\$207,225	\$286,457	\$0	\$60,948	\$609,484	Group Insurance Adjustments for Retirees
(\$26,667)	(\$5,183)	(\$67,779)	\$0	\$0	(\$99,629)	Risk Management Premiums
\$6,513	\$0	\$0	\$0	\$0	\$6,513	Civil Service Fees
(\$21,986)	\$0	\$0	\$0	\$0	(\$21,986)	Legislative Auditor Fees
\$107	\$0	\$0	\$0	\$0	\$107	Office of State Procurement
\$65,818	\$402,253	\$495,441	\$0	\$119,834	\$1,083,346	<i>Total Statewide Standard Adjustments</i>
\$25,070,651	\$19,005,954	\$24,071,001	\$0	\$5,442,624	\$73,590,230	<i>Total Governor's Executive Budget Recommendations for FY26</i>

Of the FY26 total recommended funding of \$73.6 million, the funding for legacy costs totals \$18.1 million and for Lallie Kemp Regional Medical Center, \$55.5 million.



FY26 Recommended Means of Financing

FY26 Recommended Means of Financing



**Total -
\$73,590,230**

FY26 Revenue Sources

State General Fund (Direct) - \$25,070,651

General state revenues

Interagency Transfers - \$19,005,954

- Medicaid Uncompensated Care Costs Payments 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 via the Fee-for-Service Medicaid program
- Funds transferred from the Department of Corrections for the costs of providing medical services to prisoners

Fees and Self-generated Revenues - \$24,071,001

- Payments for the provision of inpatient and outpatient medical services to Medicaid enrollees via the Medicaid managed care plans
- Private insurance/self-pay patient revenues
- Non-patient revenues from pharmacy processing fees, medical records processing fees, proceeds from hospital cafeterias, etc.

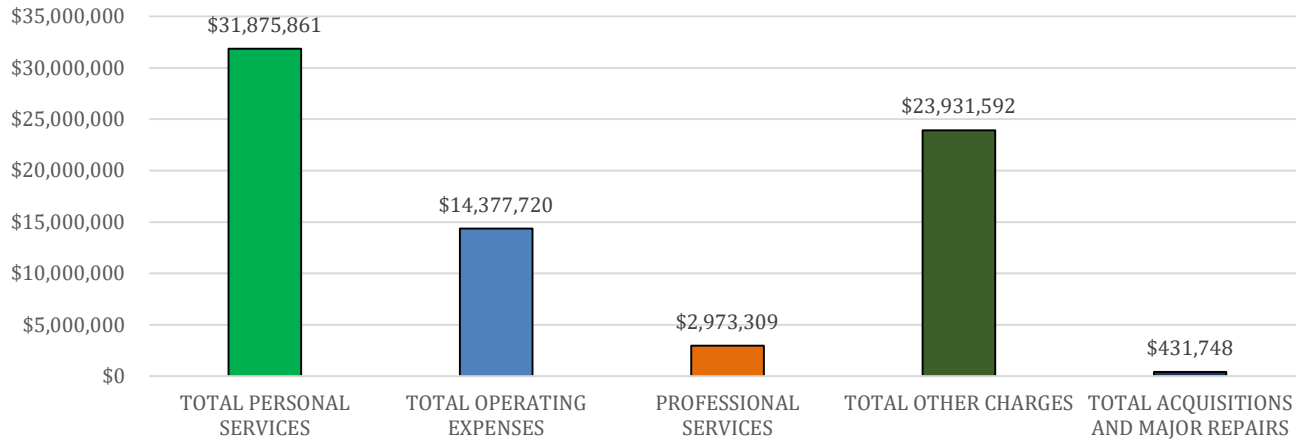
Federal Funds - \$5,442,624

Payments for medical services provided to Medicare enrollees



FY26 Recommended Categorical Expenditures

FY26 Recommended Expenditures



Personal Services is the largest major expenditure category, comprising approximately 43 percent of the division's total recommended expenditures for FY26. Other Charges totals 33 percent. Operating Expenses are 20 percent of the total for FY26. Professional Services account for 4 percent of the recommended budget for next fiscal year. Finally, Acquisitions and Major Repairs comprise less than 1 percent of the total recommend budget for FY26.

CATEGORICAL EXPENDITURES	FY24 Actual	FY25 Enacted	FY25 EOB (as of 12/01/24)	FY26 Recommended	Difference FY26 Rec OVER/(UNDER) FY25 EOB	Percent Change
Salaries	\$23,290,916	\$21,241,159	\$21,241,159	\$21,733,807	\$492,648	2.3%
Other Compensation	\$1,287,828	\$0	\$0	\$0	\$0	0.0%
Related Benefits	\$11,414,713	\$9,436,361	\$9,436,361	\$10,142,054	\$705,693	7.5%
TOTAL PERSONAL SERVICES	\$35,993,457	\$30,677,520	\$30,677,520	\$31,875,861	\$1,198,341	3.9%
Travel	\$4,427	\$12,291	\$12,291	\$12,291	\$0	0.0%
Operating Services	\$5,131,665	\$4,620,831	\$4,620,831	\$4,620,831	\$0	0.0%
Supplies	\$9,566,090	\$9,744,598	\$9,744,598	\$9,744,598	\$0	0.0%
TOTAL OPERATING EXPENSES	\$14,702,182	\$14,377,720	\$14,377,720	\$14,377,720	\$0	0.0%
PROFESSIONAL SERVICES	\$2,110,976	\$2,973,309	\$2,973,309	\$2,973,309	\$0	0.0%
Other Charges	\$17,811,133	\$22,119,231	\$22,119,231	\$22,119,231	\$0	0.0%
Debt Service	\$0	\$0	\$0	\$0	\$0	0.0%
Interagency Transfers	\$0	\$1,927,356	\$1,927,356	\$1,812,361	(\$114,995)	-6.0%
TOTAL OTHER CHARGES	\$17,811,133	\$24,046,587	\$24,046,587	\$23,931,592	(\$114,995)	-0.5%
Acquisitions	\$181,346	\$431,748	\$431,748	\$431,748	\$0	0.0%
Major Repairs	\$0	\$0	\$0	\$0	\$0	0.0%
TOTAL ACQ. & MAJOR REPAIRS	\$181,346	\$431,748	\$431,748	\$431,748	\$0	0.0%
TOTAL EXPENDITURES	\$70,799,093	\$72,506,884	\$72,506,884	\$73,590,230	\$1,083,346	1.5%



FY26 Recommended Categorical Expenditures – Professional Services, Other Charges and Acquisitions and Major Repairs

Professional Services

\$2,973,309 Contracted medical services for physicians, etc.

\$2,973,309 TOTAL PROFESSIONAL SERVICES

Other Charges

Other Charges

\$22,119,231 HCSD Retiree Group Benefits, Medical services provided by the LSU Health Sciences Center and other miscellaneous expenses

\$22,119,231 SUB-TOTAL OTHER CHARGES

Interagency Transfers

\$1,008,463 Office of Risk Management (ORM)

\$3,996 Office of State Procurement Fees

\$164,428 Legislative Auditor Fees

\$91,411 Civil Service Fees & Comprehensive Public Training Program (CPTP) Fees

\$544,063 HCSD Main Office Transfers to other Agencies

\$1,812,361 SUB-TOTAL INTERAGENCY TRANSFERS

\$23,931,592 TOTAL OTHER CHARGES

Acquisitions and Major Repairs

\$431,748 Replacement of out-of-date and broken medical equipment

\$431,748 TOTAL ACQUISITIONS AND MAJOR REPAIRS



Employment Information

HCSD FTE Employees

Fiscal Year	HCSD Administration FTEs	Lallie Kemp RMC FTEs	Total FTEs
2023	45	333	378
2024	46	357	403
2025	47	356	403

As a component of Higher Education, HCSD does not have an official position count. Instead, the chart above reflects HCSD's full-time equivalent (FTE) employees as of the first report in July of the fiscal year.

Employee Demographics	Total	%
Gender		
Female	343	75
Male	112	25
Race/Ethnicity		
White	289	64
Black	154	34
Asian	7	2
Indian	0	0
Hawaiian/Pacific	0	0
Hispanic	5	1
Currently in DROP or Eligible to Retire	93	21

This data is current as of April 1, 2025.

Salaries and Related Benefits are listed below in Chart 1.

In Chart 2, benefits are broken out to show the portion paid for active versus retired employees. This is also where payments for the Unfunded Accrued Liability (UAL) may be found.

1.

Personal Services	FY23 Actual	FY24 Actual	FY25 EOB	FY26 Recommended
Salaries	\$19,455,674	\$23,290,916	\$21,241,159	\$21,733,807
Other Compensation	\$0	\$1,287,828	\$0	\$0
Related Benefits	\$8,952,439	\$11,414,713	\$9,436,361	\$10,142,054
Total Personal Services	\$31,837,559	\$35,993,457	\$30,677,520	\$31,875,861

2.

Related Benefits FY26 Recommended	Total Funding	%
Total Related Benefits	\$10,142,054	
UAL payments	\$5,294,851	52%
Retiree Health Benefits	\$1,108,236	
Remaining Benefits*	\$3,738,967	

* Remaining Benefits include employer contributions to retirement, health insurance, Medicare, FICA, Emoluments, etc., for current employees.

In addition, HCSD's FY26 Recommended Budget contains \$14,723,700 under the Other Charges category for Legacy Retiree Health Benefits.



FY26 Discretionary/Non-Discretionary Comparison

FY26 Recommended Discretionary = \$51,261,045

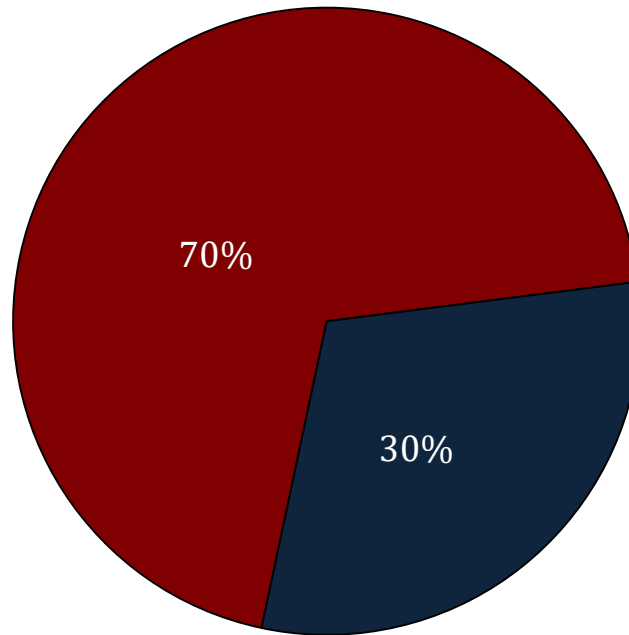
Discretionary SGF =
\$7,518,160

Discretionary IAT =
\$15,087,969

Discretionary F&SGR =
\$23,630,172

Discretionary STAT DEDS = \$0

Discretionary FED =
\$5,024,744



Non-Discretionary SGF =
\$17,552,491

Non-Discretionary IAT =
\$3,917,985

Non-Discretionary FSGR =
\$440,829

Non-Discretionary STAT DEDS
= \$0

Non-Discretionary FED =
\$417,880

FY26 Recommended Non-Discretionary = \$22,329,185

Total Non-Discretionary Funding by Type

Constitutional Obligation	\$ 5,294,851	23.71%
Statutory Obligations	\$ 1,037,970	4.65%
Unavoidable Obligations	\$ 15,996,364	71.64%
Total Non-Discretionary	\$ 22,329,185	100%

Constitutional Obligation = State Retirement Systems Unfunded Accrued Liability (UAL)

Statutory Obligations = Provision of Health Care Services to Prisoners

Unavoidable Obligations = Retirees Group Insurance (\$15,831,936) and Legislative Auditor Fees (\$164,428)