



Louisiana Senate Finance Committee



Fiscal Year 2026-2027 Executive Budget Recommendations

19-610 – LSU Health Care Services Division

March 2026

*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 27,000 clinic visits and 17,000 emergency department visits per year
- Approximately 250 hospital admissions per year resulting in roughly 1,000 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.

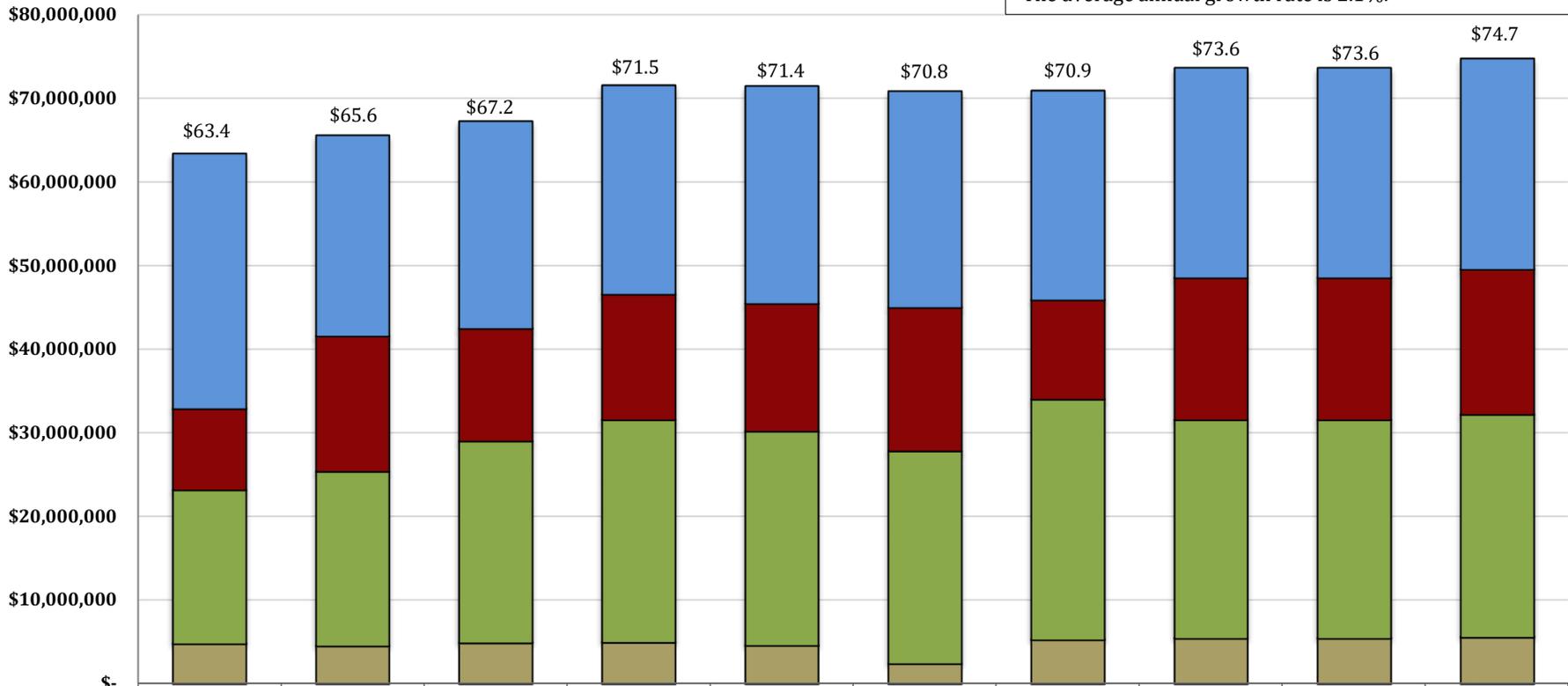


Budget History

Total Budget by Fiscal Year and Means of Finance

(in millions)

HCS D's total budget has grown by 17.9% from FY19 to FY27. The average annual growth rate is 2.1%.



	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Enacted	FY26 as of 12/1/25	FY27 Recommended Budget
■ SGF	\$30,478,413	\$23,981,083	\$24,766,943	\$24,983,780	\$25,996,281	\$25,829,112	\$25,004,833	\$25,066,857	\$25,066,857	\$25,192,276
■ IAT	\$9,769,905	\$16,242,432	\$13,501,079	\$15,022,372	\$15,284,109	\$17,160,848	\$11,929,261	\$17,005,954	\$17,005,954	\$17,377,895
■ FSGR	\$18,332,900	\$20,817,468	\$24,090,518	\$26,562,473	\$25,556,672	\$25,378,952	\$28,662,640	\$26,071,001	\$26,071,001	\$26,585,154
■ STAT DED	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
■ FED	\$4,800,336	\$4,521,952	\$4,882,311	\$4,948,076	\$4,592,363	\$2,430,182	\$5,269,585	\$5,442,624	\$5,442,624	\$5,552,018



FY27 Recommended Budget Adjustments

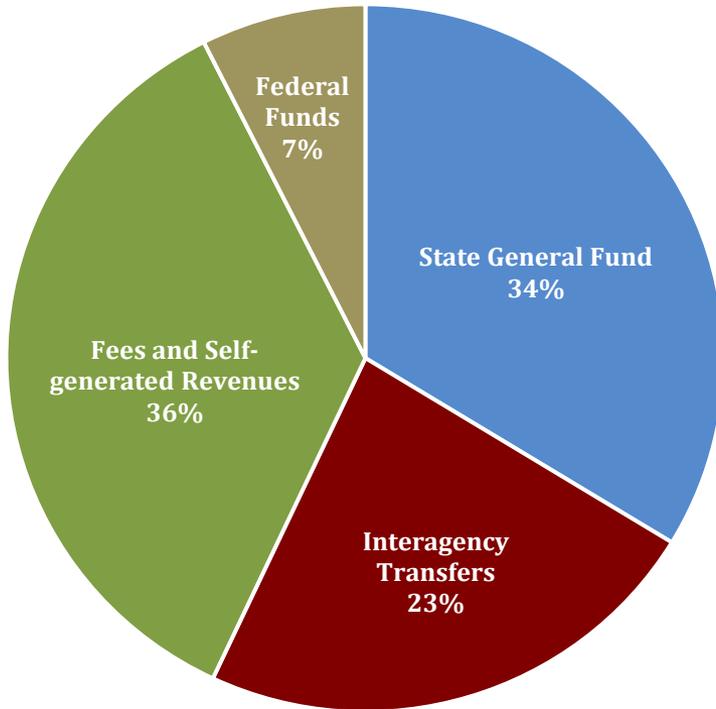
State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$25,066,857	\$17,005,954	\$26,071,001	\$0	\$5,442,624	\$73,586,436	0	FY26 Existing Operating Budget as of 12-1-25
\$5,969	\$0	\$0	\$0	\$0	\$5,969	0	Civil Service Fees
\$12,356	\$46,679	\$64,527	\$0	\$13,729	\$137,291	0	Group Insurance Rate Adjustment for Active Employees
\$45,784	\$172,961	\$239,094	\$0	\$50,871	\$508,710	0	Group Insurance Rate Adjustment for Retirees
(\$9,896)	\$0	\$0	\$0	\$0	(\$9,896)	0	Legislative Auditor Fees
\$69,285	\$261,745	\$361,823	\$0	\$76,984	\$769,837	0	Market Rate Classified
(\$1,800)	\$0	\$0	\$0	\$0	(\$1,800)	0	Non-Recurring Acquisitions & Major Repairs
\$9,167	\$0	\$0	\$0	\$0	\$9,167	0	Related Benefits Base Adjustment
(\$28,971)	(\$109,444)	(\$151,291)	\$0	(\$32,190)	(\$321,896)	0	Retirement Rate Adjustment
(\$5,121)	\$0	\$0	\$0	\$0	(\$5,121)	0	Risk Management
\$28,646	\$0	\$0	\$0	\$0	\$28,646	0	Salary Base Adjustment
\$125,419	\$371,941	\$514,153	\$0	\$109,394	\$1,120,907	0	Total Statewide Adjustments
\$0	\$0	\$0	\$0	\$0	\$0	0	Total Other Adjustments
\$25,192,276	\$17,377,895	\$26,585,154	\$0	\$5,552,018	\$74,707,343	0	Total FY27 Recommended Budget

Of the FY27 total recommended funding of \$74.7 million, the funding for legacy costs totals \$16.5 million, and the remaining amount is for Lallie Kemp Regional Medical Center operating, totaling \$58.2 million.



FY27 Recommended Means of Financing

FY27 Recommended Means of Financing



Total - \$74,707,343

FY27 Revenue Sources

State General Fund (Direct) - \$25,192,276

General state revenues

Interagency Transfers - \$17,377,895

- 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 - \$26,585,154

- 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 - \$5,552,018

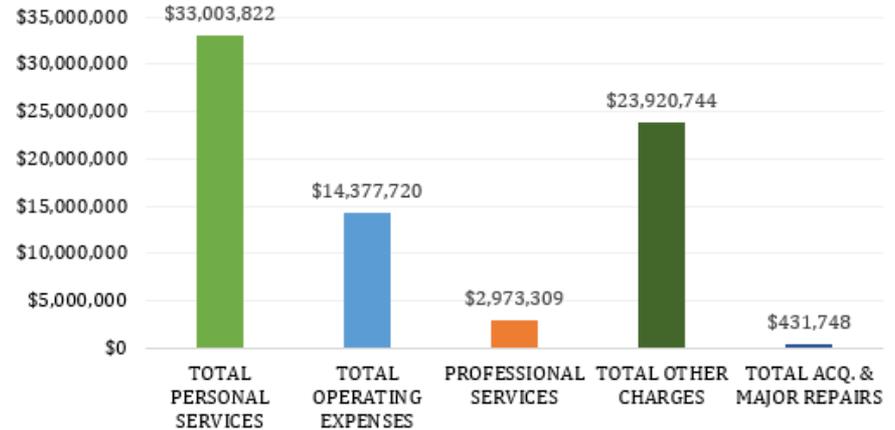
Payments for medical services provided to Medicare enrollees



FY27 Recommended Categorical Expenditures

Personal Services is the largest major expenditure category, comprising approximately 44 percent of the division's total recommended expenditures for FY27. Other Charges totals 32 percent. Operating Expenses are 19 percent of the total for FY27. Professional Services account for 4 percent of the recommended budget for next fiscal year. Finally, Acquisitions and Major Repairs comprise 1 percent of the total recommend budget for FY27.

FY27 Recommended Expenditures



Categorical Expenditures	FY25 Actual	FY26 Enacted	FY26 EOB as of 12/01/25	FY27 Recommended	Difference FY26 EOB vs. FY27 Rec	Percent Change
Salaries	\$23,047,971	\$21,731,531	\$21,731,531	\$22,271,458	\$539,927	2
Other Compensation	\$721,075	\$0	\$0	\$0	\$0	0
Related Benefits	\$10,246,673	\$10,140,536	\$10,140,536	\$10,732,364	\$591,828	6
TOTAL PERSONAL SERVICES	\$34,015,719	\$31,872,067	\$31,872,067	\$33,003,822	\$1,131,755	4
Travel	\$7,762	\$12,291	\$12,291	\$12,291	\$0	0
Operating Services	\$5,794,609	\$4,620,831	\$4,620,831	\$4,620,831	\$0	0
Supplies	\$9,838,347	\$9,744,598	\$9,744,598	\$9,744,598	\$0	0
TOTAL OPERATING EXPENSES	\$15,640,718	\$14,377,720	\$14,377,720	\$14,377,720	\$0	0
PROFESSIONAL SERVICES	\$3,476,514	\$2,973,309	\$2,973,309	\$2,973,309	\$0	0
Other Charges	\$24,376	\$22,119,231	\$22,119,231	\$22,119,231	\$0	0
Debt Service	\$0	\$0	\$0	\$0	\$0	0
Interagency Transfers	\$17,585,455	\$1,812,361	\$1,812,361	\$1,801,513	(\$10,848)	(1)
TOTAL OTHER CHARGES	\$17,609,831	\$23,931,592	\$23,931,592	\$23,920,744	(\$10,848)	(0)
Acquisitions	\$123,537	\$431,748	\$431,748	\$431,748	\$0	0
Major Repairs	\$0	\$0	\$0	\$0	\$0	0
TOTAL ACQ. & MAJOR REPAIRS	\$123,537	\$431,748	\$431,748	\$431,748	\$0	0
TOTAL EXPENDITURES	\$70,866,320	\$73,586,436	\$73,586,436	\$74,707,343	\$1,120,907	2



FY27 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	
\$22,119,231	HCSD Retiree Group Benefits, Medical services provided by the LSU Health Sciences Center and other miscellaneous expenses
\$22,119,231	Total Other Charges
Interagency Transfers	
\$2,196	Office of State Procurement Fees
\$97,380	Civil Service Fees
\$154,532	Legislative Auditor Fees
\$544,063	HCSD Main Office Transfers to other Agencies
\$1,003,342	Office of Risk Management (ORM) Fees
\$1,801,513	Total Interagency Transfers
Acquisitions and Major Repairs	
\$431,748	Replacement of out of date and broken medical equipment
\$431,748	Acquisitions and Major Repairs



Employment Information

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	FY24 Actual	FY25 Actual	FY26 EOB	FY27 Recommended
Salaries	\$23,290,916	\$23,047,971	\$21,731,531	\$22,271,458
Other Compensation	\$1,287,828	\$721,075	\$0	\$0
Related Benefits	\$11,414,713	\$10,246,673	\$10,140,536	\$10,732,364
Total Personal Services	\$35,993,457	\$34,015,719	\$31,872,067	\$33,003,822

2.

Related Benefits FY27 Recommended	Total Funding	%
Total Related Benefits	\$10,732,364	
UAL payments	\$4,561,927	43%
Retiree Health Benefits	\$1,291,502	
Remaining Benefits*	\$4,878,935	

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

In addition, HCSD's FY27 Recommended Budget contains \$14,272,950 under the Other Charges category for Legacy Retiree Health Benefits.

HCSD FTE Employees

Fiscal Year	HCSD Administration FTEs	Lallie Kemp RMC FTEs	Total FTEs
2024	46	357	403
2025	47	356	403
2026	45	348	393

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.

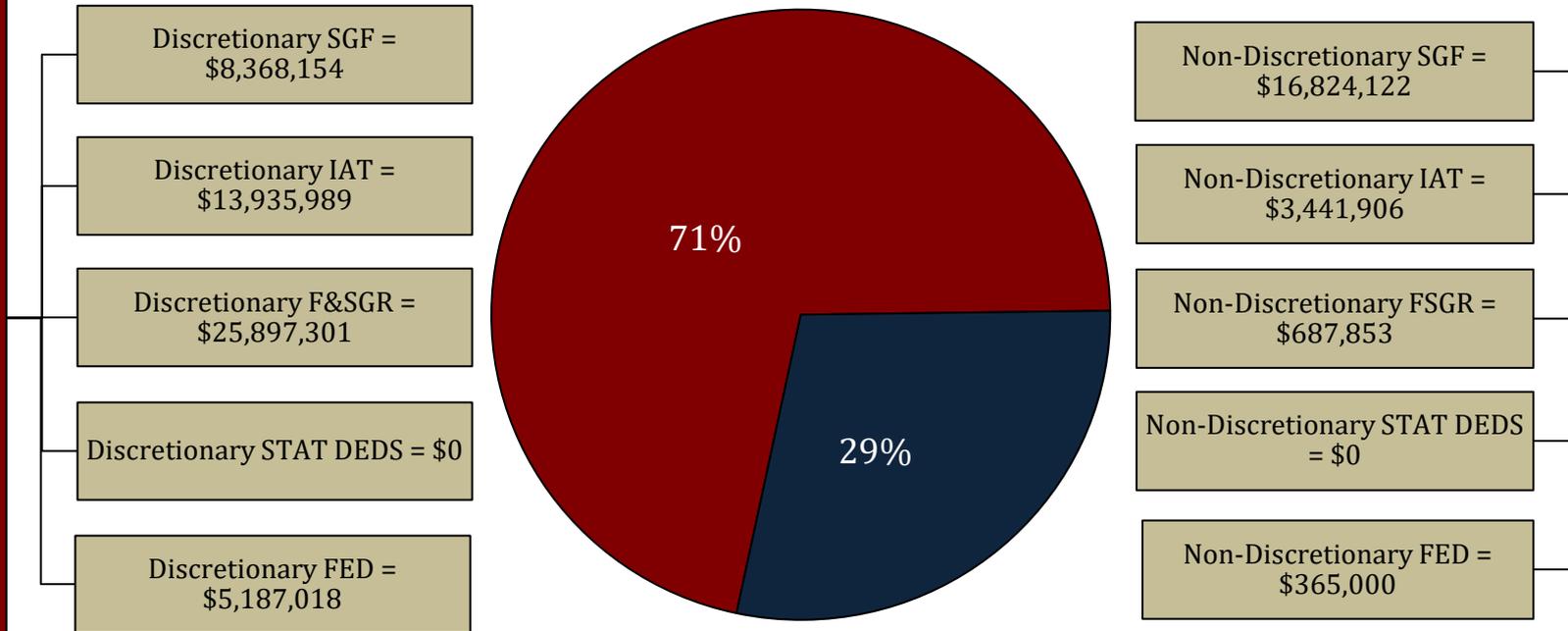
Employee Demographics	Total	%
Gender		
Female	306	74%
Male	108	26%
Race/Ethnicity		
White	280	68%
Black	125	30%
Asian	6	1%
Indian	0	0%
Hawaiian/Pacific	0	0%
Hispanic	3	1%
Currently in DROP or Eligible to Retire	82	20%



FY27 Discretionary/Non-Discretionary Comparison

FY27 Recommended Discretionary = \$53,388,462

FY27 Recommended Non-Discretionary = \$21,318,881



Total Non-Discretionary Funding by Type		
Constitutional Obligation		
State Retirement Systems UAL	\$ 4,561,927	21.40%
Statutory Obligations		
Health Care to Prisoners	\$ 1,037,970	4.87%
Unavoidable Obligations		
Retiree Group Insurance (\$15,564,452)		
Legislative Auditor Fees (\$154,532)	\$ 15,718,984	73.73%
Total Non-Discretionary	\$ 21,318,881	100%