

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY19-20 HB 105 Review
LOUISIANA STATE UNIVERSITY HEALTH SCIENCE CENTER
HEALTH CARE SERVICES DIVISION

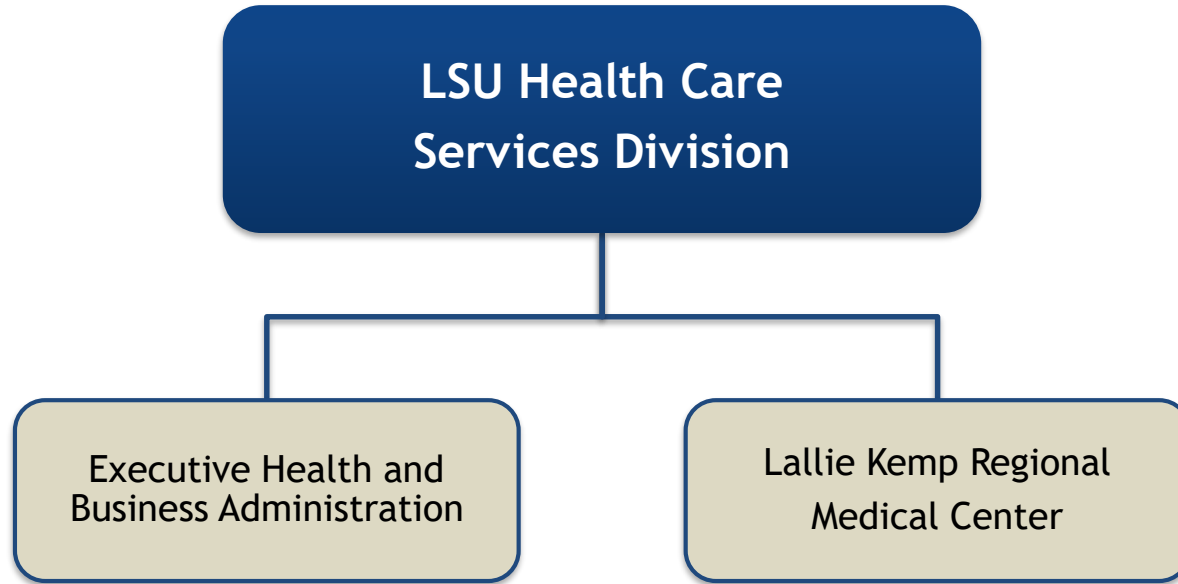
House Committee on Appropriations
Prepared by the House Fiscal Division

April 9, 2019

TABLE OF CONTENTS

Department Organization and Functions	3
Budget History	5
Major Sources of Funding	6
Funding Overview	7
Expenditure Change Overview	8
Significant Expenditure Changes	9
Expenditure History	10
Other Charges	11
Personnel Information	12
Performance Information	13
Other Items	14
Public/Private Partnerships	15
Department Contacts	19

DEPARTMENT ORGANIZATION



DEPARTMENT FUNCTIONS

Lallie Kemp Regional Medical Center

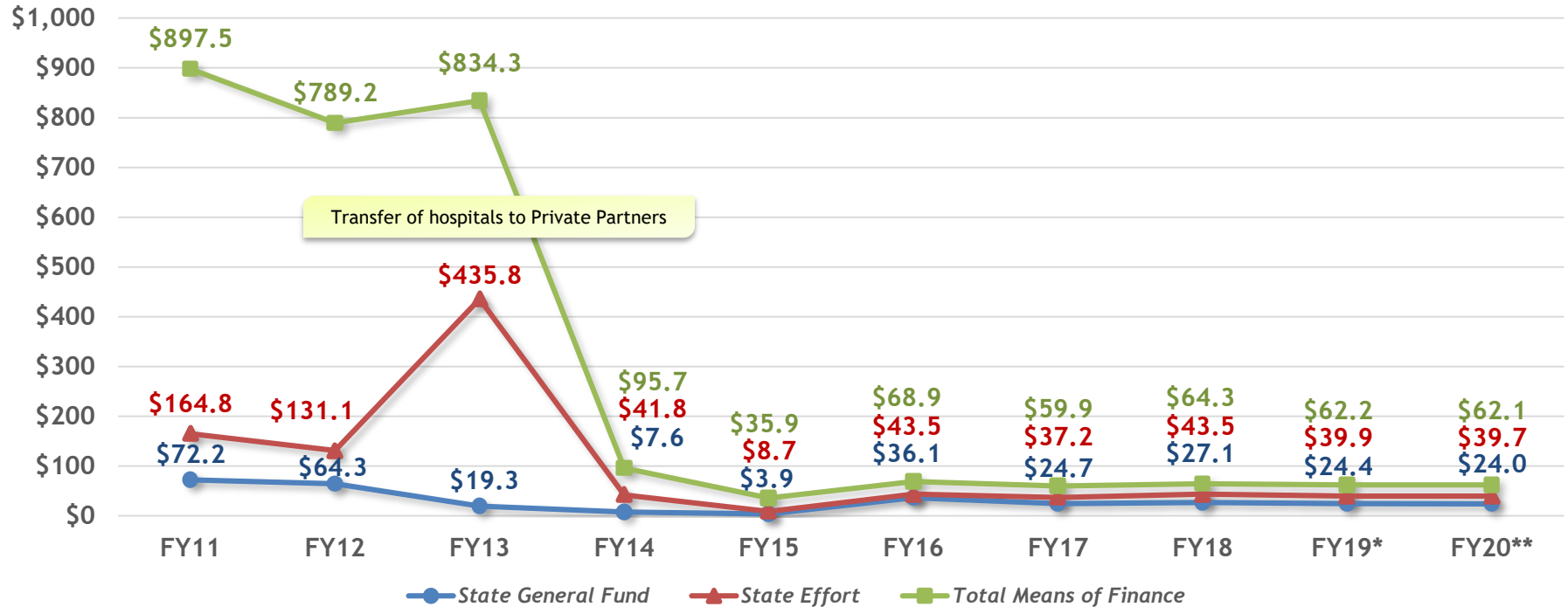
- Is a rural 24 bed acute care critical access hospital serving the Florida Parishes region of Southeast Louisiana.
- Located in Independence the hospital provides acute care hospital services including inpatient, outpatient, emergency, surgery, and ancillary support services. The hospital also serves as the Medical Home for it's patients as well as providing Offender Care for the Department of Corrections. The facility is certified triennially (for a three-year period) by the Joint Commission on Accreditation of Healthcare Organizations.
- The medical center not only provides acute, primary, and general critical medical care to indigent, Medicare, and Medicaid populations, but also provides support functions such as pharmacy, blood bank, respiratory therapy, anesthesiology and various diagnostic services.



State legacy obligations associated with six former state hospitals

- Health Care Services Division's legacy management costs include retiree group insurance, risk management insurance, legal fees associated with the partnerships, IT systems management and salary, benefits and overhead allocated to the management of the state obligations.

BUDGET HISTORY (IN MILLIONS)



Source: Budget Supporting Documents and HB 105 of 2019 RS

*Existing Operating Budget as of 12/1/18

**HB 105 of 2019 RS

MAJOR SOURCES OF FUNDING

Interagency Transfers \$17.6 Million

- Medicaid and Uncompensated Care Cost (UCC) reimbursements from LDH and prisoner care cost from DOC

Self-Generated Revenue \$15.7 Million

- Collections of Insurance Proceeds

Federal Funds \$4.9 Million

- Medicare Collections

State General Fund \$24.0 Million

FUNDING OVERVIEW

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$27,062,061	\$24,427,906	\$23,981,083	(\$446,823)	(1.8%)	(\$3,080,978)	(11.4%)
Interagency Transfers	\$15,982,678	\$17,542,527	\$17,616,847	\$74,320	0.4%	\$1,634,169	10.2%
Fees and Self-Gen Rev	\$15,098,202	\$15,472,658	\$15,670,284	\$197,626	1.3%	\$572,082	3.8%
Statutory Dedications	\$1,385,265	\$0	\$0	\$0	0.0%	(\$1,385,265)	(100.0%)
Federal Funds	\$4,800,336	\$4,800,336	\$4,850,666	\$50,330	1.0%	\$50,330	1.0%
Total Means of Finance	\$64,328,542	\$62,243,427	\$62,118,880	(\$124,547)	(0.2%)	(\$2,209,662)	(3.4%)



\$124,547 Total Means of Finance

All FY 19-20 budget changes are related to standard statewide budget adjustments detailed by means of finance on slide 9, the Significant Expenditure Changes slide.

EXPENDITURE CHANGE OVERVIEW

Expenditure	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing
Salaries	\$17,969,600	\$14,276,883	\$14,601,381	\$324,498	2.3%
Other Compensation	\$0	\$0	\$0	\$0	0.0%
Related Benefits	\$27,007,024	\$24,503,261	\$24,640,506	\$137,245	0.6%
Travel	\$794	\$12,291	\$12,291	\$0	0.0%
Operating Services	\$7,335,951	\$4,481,685	\$4,481,685	\$0	0.0%
Supplies	\$8,521,196	\$4,457,651	\$4,457,651	\$0	0.0%
Professional Services	\$937,817	\$1,833,086	\$1,833,086	\$0	0.0%
Other Charges	\$1,199,369	\$12,298,111	\$11,711,821	(\$586,290)	(4.8%)
Acq/Major Repairs	\$1,356,791	\$380,459	\$380,459	\$0	0.0%
Total Expenditures	\$64,328,542	\$62,243,427	\$62,118,880	(\$124,547)	(0.2%)
Authorized Positions	0	0	0	0	0.0%

SIGNIFICANT EXPENDITURE CHANGES

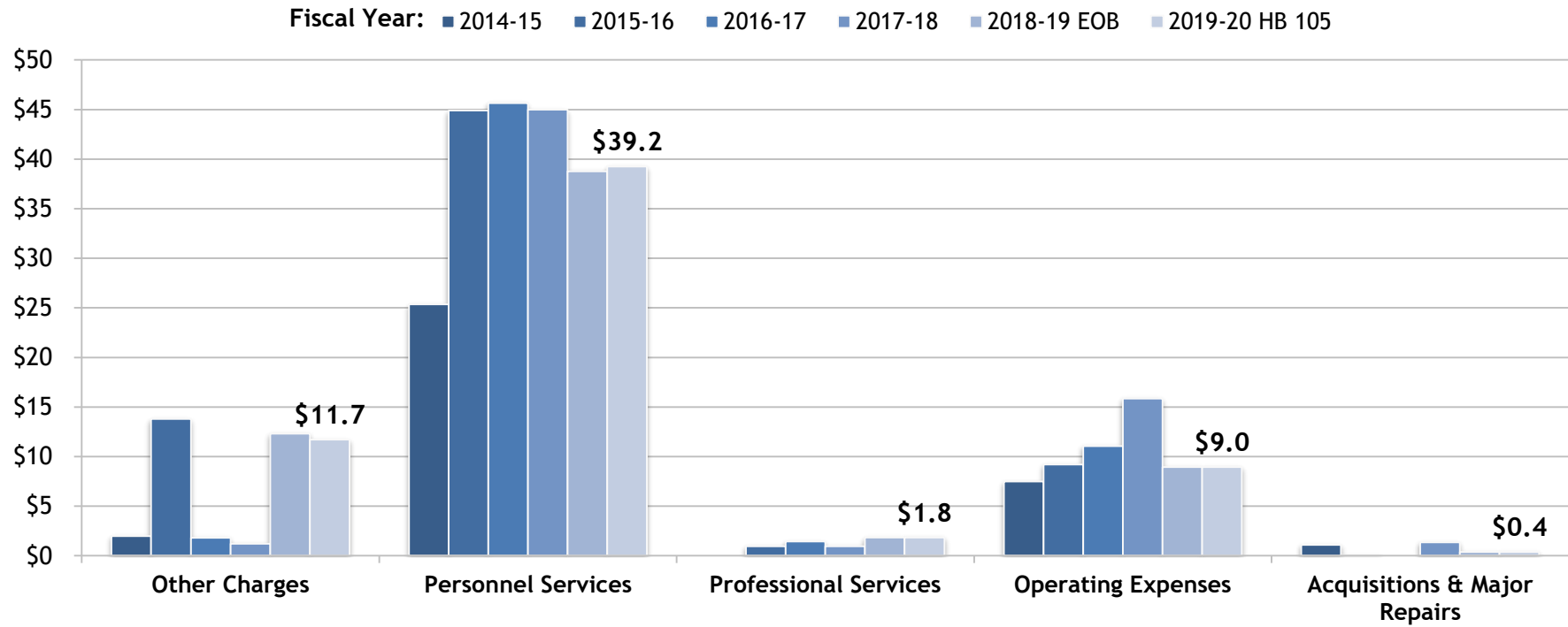
Salaries and Related Benefits \$461,743

- Increase funding by \$84,961 SGF, \$128,826 IAT, \$197,626 FSGR, \$50,330 FED for classified employee market rate adjustments.

Other Charges (\$586,290)

- Reduce funding by (\$540,523) SGF, (\$54,506) IAT for the Office of Risk Management.
- Increase funding by \$5,496 SGF for the Office of State Procurement.
- Increase funding by \$3,514 SGF for Civil Service Fees.
- Reduce funding by (\$271) SGF for Legislative Auditor Fees.

EXPENDITURE HISTORY (IN MILLIONS)



Source: Budget Supporting Documents and HB 105 of 2019 RS

OTHER CHARGES

AMOUNT	DESCRIPTION
\$11,439,740	State legacy obligations associated with six former state hospitals, services provided by the LSU Health Sciences Center, and other Lallie Kemp expenses
\$166,879	Transfers to other state agencies
\$72,886	Office of Risk Management (ORM)
\$32,316	Legislative Auditor Expenses
\$11,711,821	TOTAL OTHER CHARGES

Source: Budget Supporting Documents

PERSONNEL INFORMATION

FY 19-20

Personnel/Budget Ratio

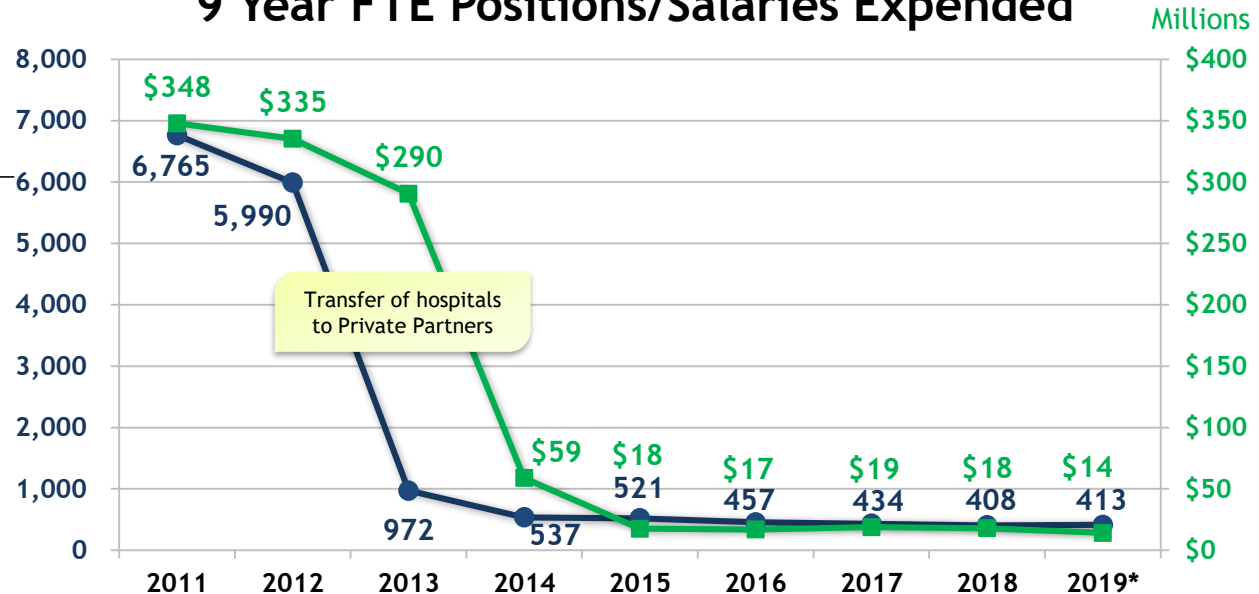
\$ 14.6 M	Salaries and Other Comp.
+ \$ 24.6 M	Related Benefits
= \$ 39.2 M	Total Personnel Services

**77.8% of budget expenditures
(excluding Other Charges)**

Authorized Positions

- 0 (0 classified and 0 unclassified)
- 0 Other Charges Positions
- 0 full-time non-T.O. positions



9 Year FTE Positions/Salaries Expended



*Existing Operating Budget as of 12/1/18

Source: Data from the Dept. of Civil Service and the Budget Supporting Documents

PERFORMANCE INFORMATION

Lallie Kemp Regional Medical Center Performance Indicators	Actual Year-End Performance FY 13-14	Actual Year-End Performance FY 14-15	Actual Year-End Performance FY 15-16	Actual Year-End Performance FY 16-17	Actual Year-End Performance FY 17-18
Hospital Admissions	831	907	778	624	599
Number of Clinic Visits  5-Year Trend 23.6%	28,534	34,120	38,792	34,283	35,272
Number of Emergency Department Visits  5-Year Trend -16.3%	27,206	28,213	26,881	24,924	22,761
Overall Patient Satisfaction Survey Rating	79%	83%	74%	85%	94%
Willingness to Recommend Hospital	82%	85%	77%	81%	88%

OTHER ITEMS

- Lallie Kemp Regional Medical Center requested \$3.2 million for acquisitions to replace medical and other equipment; however, the bill currently contains \$380,459.
- The requested funding is for medical equipment that is beyond useful life. Not replacing this equipment has impact to patient care, patient safety, and accreditation of the hospital.
 - As medical equipment reaches end of life, manufacturers discontinue maintenance on the equipment as well as discontinuing replacement parts needed to keep the equipment functioning.
 - Medical equipment that can no longer be repaired causes patients to go without services or requires patients to go elsewhere for those services.
 - Accreditation and reimbursement rules require hospitals to maintain safe, up to date equipment.

PUBLIC/PRIVATE PARTNERSHIPS

Hospital Transition Dates

4.15.2013

- Earl K. Long Regional Medical Center (Baton Rouge)

6.24.2013

- Chabert Regional Medical Center (Houma)
- Interim LSU Public Hospital (New Orleans)
- University Medical Center (Lafayette)
- W.O. Moss Regional Medical Center (Lake Charles)

10.1.2013

- E.A. Conway Medical Center (Monroe)
- LSU Health Sciences Center Shreveport Hospital (Shreveport)

3.17.2014

- Bogalusa Regional Medical Center (Bogalusa)

7.1.2014

- Huey P. Long Medical Center (Pineville)

PUBLIC/PRIVATE PARTNERSHIPS

LSU Hospitals

Private Hospital Partner

Earl K. Long Regional Medical Center (Baton Rouge)

Our Lady of the Lake (LOL)

Interim LSU Public Hospital (New Orleans)

Children's Hospital and University Medical Center
Management Corporation

University Medical Center (Lafayette)

Lafayette General Health System and University Hospitals
and Clinic (UHC)

W.O. Moss Regional Medical Center (Lake Charles)

Southwest Louisiana Hospital Association (SLHA) d/b/a
Lake Charles Memorial Hospital (LCMH)

Chabert Regional Medical Center (Houma)

Southern Regional Medical Corporation; Hospital Service
District #1 of Terrebonne Parish; and Ochsner Health
System

Bogalusa Regional Medical Center (Bogalusa)

(Franciscan Missionaries of) Our Lady of the Lake
Ascension Community Health System; new entity: Our
Lady of Angels

Lallie Kemp Regional Medical Center (Independence)

No Partnership

PUBLIC/PRIVATE PARTNERSHIPS

**LSU Hospitals in addition to Health Care Services Division
(these hospitals fall under Higher Education's budget)**

LSU Hospitals

LSU Health Sciences Center Shreveport Hospital

E. A. Conway Medical Center (Monroe)

Huey P. Long Medical Center (Pineville)

Private Hospital Partner

Ochsner Health System and LSU Health Shreveport jointly formed Ochsner LSU Health Shreveport

Ochsner Health System and LSU Health Shreveport jointly formed Ochsner LSU Health Shreveport

CHRISTUS Health Central Louisiana and Rapides Healthcare System

PUBLIC/PRIVATE PARTNERSHIPS

Hospital Cooperative Endeavor Agreement Documents

<http://www.lsu.edu/bos/hospital-ceas.php>

DEPARTMENT CONTACTS



Dr. Wayne Wilbright
Chief Executive Officer

504.568.2259

Ms. Lanette Buie
Deputy Chief Executive Officer

225.354.7008



Rhonda Green
Chief Executive Officer
Lallie Kemp Regional Medical Center

985.878.1330



Mr. Chad Thompson
Chief Financial Officer
Lallie Kemp Regional Medical Center

985.878.1350