

Representative Jack McFarland
Chairman



Representative Jason Hughes
Vice Chairman

Fiscal Year 2026 Executive Budget Review

LOUISIANA STATE UNIVERSITY HEALTH SCIENCE CENTER

HEALTH CARE SERVICES DIVISION

House Committee on Appropriations
House Fiscal Division

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All data and figures were obtained from the governor's Fiscal Year 2025-2026 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2025 Regular Session, unless otherwise noted.

<https://www.doa.la.gov/doa/opb/budget-documents/>

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DEPARTMENT ORGANIZATION



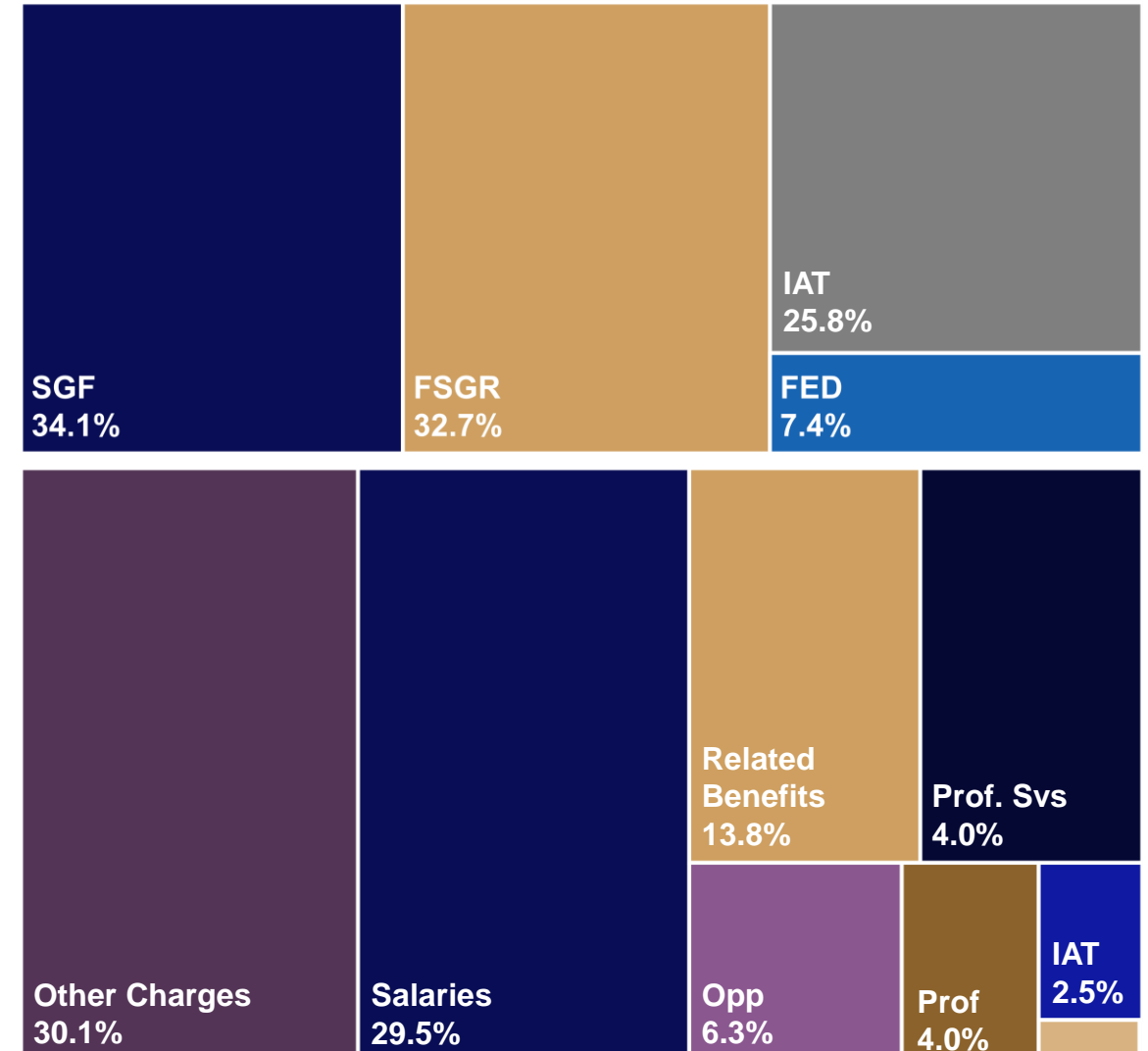
Note: Further detail on department programs, functions, and services are under the General Department Information section.

FY 26 BUDGET RECOMMENDATION

Total Funding = \$73,590,260

Means of Finance		
State General Fund	\$	25,070,651
Interagency Transfers		19,005,954
Fees & Self-generated		24,071,001
Statutory Dedications		0
Federal Funds		5,442,624
Total	\$	73,590,230

Expenditure Category		
Salaries	\$	21,733,807
Related Benefits		10,142,054
Travel		12,291
Operating Services		4,620,831
Supplies		9,744,598
Professional Services		2,973,309
Other Charges		22,119,231
Interagency Transfers		1,812,361
Acquisitions and Major Repairs		431,748
Total	\$	73,590,230



HISTORICAL SPENDING

State General Fund Interagency Transfers Fees & Self-generated Federal Funds Total Budget

Annual Average Spending
Change from FY 20 to 24:

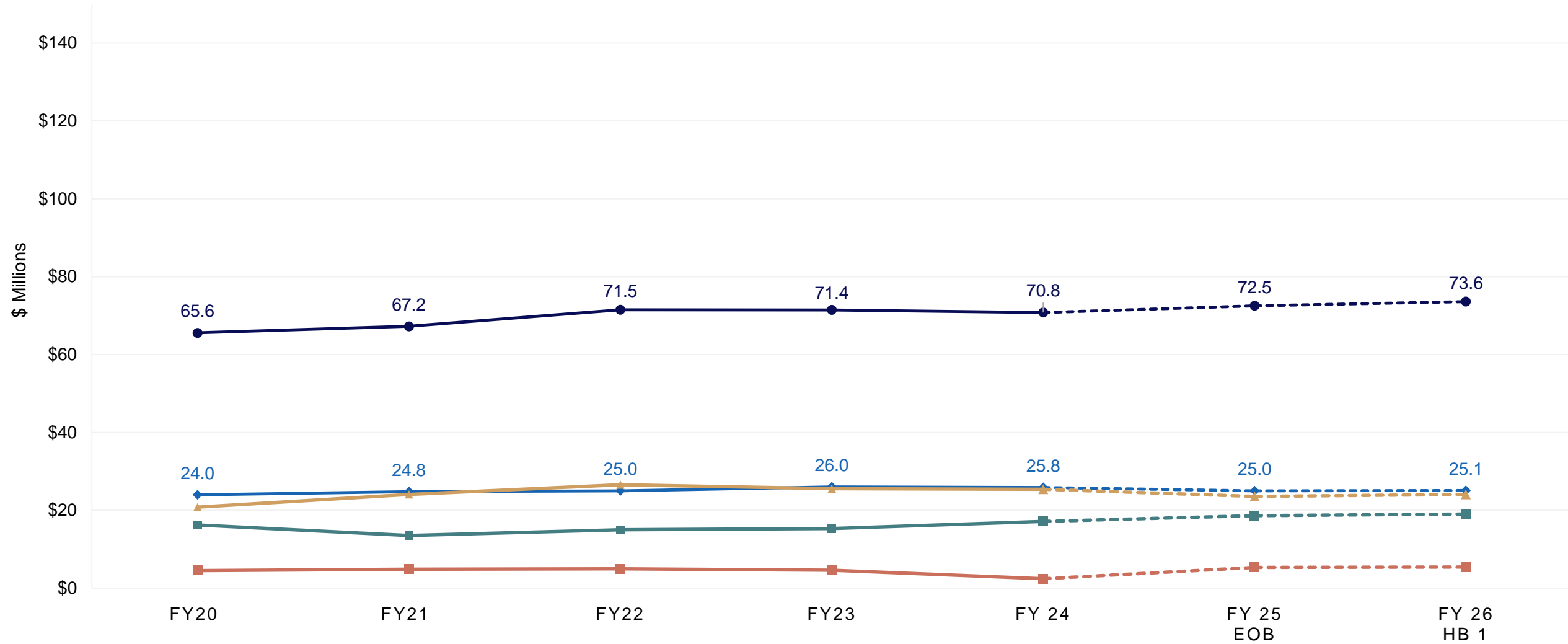
1.9%

1.4%

5.1%

(14.4%)

1.9%



SOURCES OF FUNDING

State General Fund	Interagency Transfers	Self-generated Revenue	Federal Funds
\$25.1 M	\$19 M	\$24.1 M	\$5.4 M
The chief operating fund of the State recognized by the Revenue Estimating Conference from various taxes, licenses, fees, and other revenue sources except for those identified as other means of financing	Funding is derived from the following transfers: <ul style="list-style-type: none">• Medicaid claims• Uncompensated Care Costs (UCC) reimbursements from the Louisiana Department of Health• Prisoner care costs from the Department of Corrections	Revenues derived from disbursement of insurance claims	Federal funding derived from payments received through Medicare collections

FUNDING COMPARISON

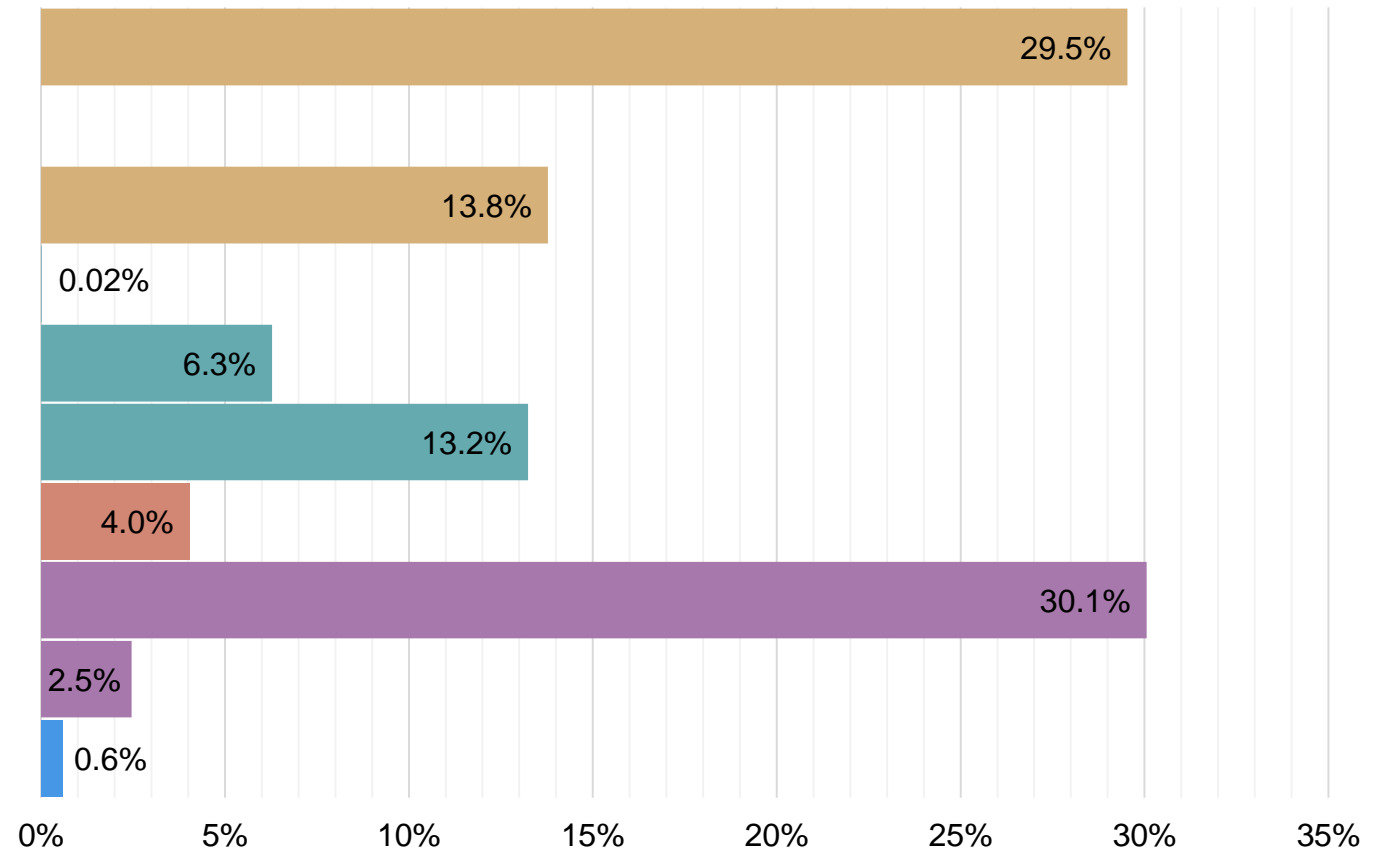
Means of Finance	FY 24 Actual Expenditures	FY 25 Existing Operating Budget 12/1/24	FY 26 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
SGF	\$ 25,829,112	\$ 25,004,833	\$ 25,070,651	\$ 65,818	0.3%	\$ (758,461)	(2.9%)
IAT	17,160,848	18,603,701	19,005,954	402,253	2.2%	1,845,106	10.8%
FSGR	25,378,952	23,575,560	24,071,001	495,441	2.1%	(1,307,951)	(5.2%)
Stat Ded	0	0	0	0	0.0%	0	0.0%
Federal	2,430,182	5,322,790	5,442,624	119,834	2.3%	3,012,442	124.0%
Total	\$ 70,799,094	\$ 72,506,884	\$ 73,590,230	\$ 1,083,346	1.5%	\$ 2,791,136	3.9%

Significant funding changes compared to the FY 25 Existing Operating Budget			
State General Fund	Interagency Transfers	Fees & Self-generated	Federal Funds
Increased funding needed to cover various standard statewide expenses, including employee pay raises, group insurance, retirement adjustments and civil service fees			

FY 26 EXPENDITURE RECOMMENDATION

Total Budget = \$73,590,230

Expenditure Category		
Salaries	\$	21,733,807
Other Compensation		0
Related Benefits		10,142,054
Travel		12,291
Operating Services		4,620,831
Supplies		9,744,598
Professional Services		2,973,309
Other Charges		22,119,231
Interagency Transfers		1,812,361
Acquisitions/Repairs		431,748
Total	\$	73,590,230



EXPENDITURE COMPARISON

Expenditure Category	FY 24 Actual Expenditures	FY 25 Existing Operating Budget 12/1/24	FY 26 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 23,290,916	\$ 21,241,159	\$ 21,733,807	\$ 492,648	2.3%	\$ (1,557,109)	(6.7%)
Other Compensation	1,287,828	0	0	0	0.0%	(1,287,828)	(100.0%)
Related Benefits	11,414,713	9,436,361	10,142,054	705,693	7.5%	(1,272,659)	(11.1%)
Travel	4,427	12,291	12,291	0	0.0%	7,864	177.6%
Operating Services	5,131,665	4,620,831	4,620,831	0	0.0%	(510,834)	(10.0%)
Supplies	9,566,090	9,744,598	9,744,598	0	0.0%	178,508	1.9%
Professional Services	2,110,976	2,973,309	2,973,309	0	0.0%	862,333	40.8%
Other Charges	17,811,133	22,119,231	22,119,231	0	0.0%	4,308,098	24.2%
Interagency Transfers	0	1,927,356	1,812,361	(114,995)	(6.0%)	1,812,361	0.0%
Acquisitions/Repairs	181,346	431,748	431,748	0	0.0%	250,402	138.1%
Total	\$ 70,799,094	\$ 72,506,884	\$ 73,590,230	\$ 1,083,346	1.5%	\$ 2,791,136	3.9%

Significant expenditure changes compared to the FY 25 Existing Operating Budget

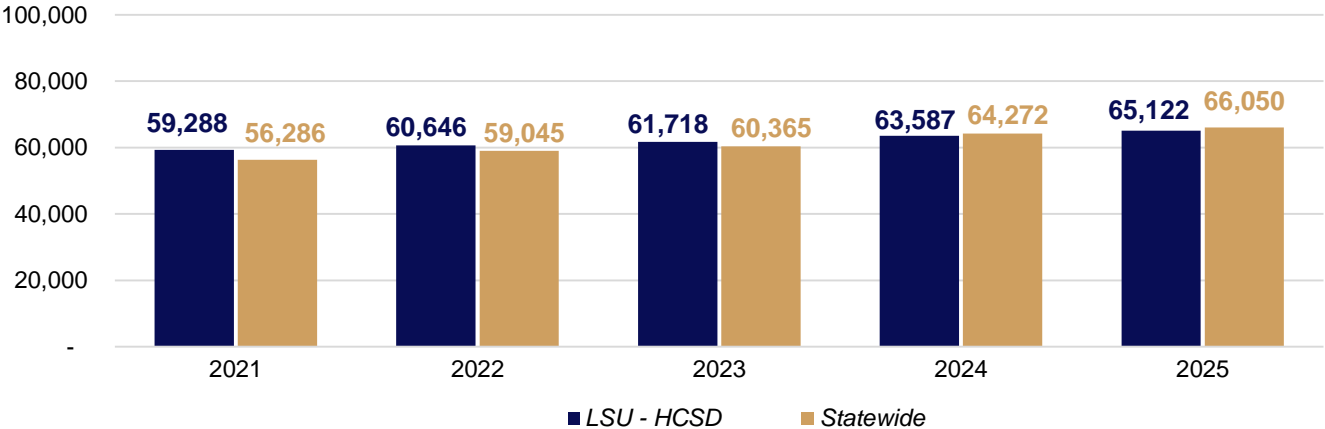
Personnel Services	Interagency Transfers
<p>\$1.2 M net increase due to:</p> <ul style="list-style-type: none"> \$763,405 increase for employee pay raises \$619,152 increase for group insurance adjustment (\$269,148) decrease for retirement rate adjustment 	<p>(\$114,995) net decrease primarily due to:</p> <ul style="list-style-type: none"> (\$99, 629) decrease in payments to Office of Risk Management (\$21,986) decrease in payments to the Legislative Auditor \$6,513 increase in Civil Service fees

PERSONNEL INFORMATION

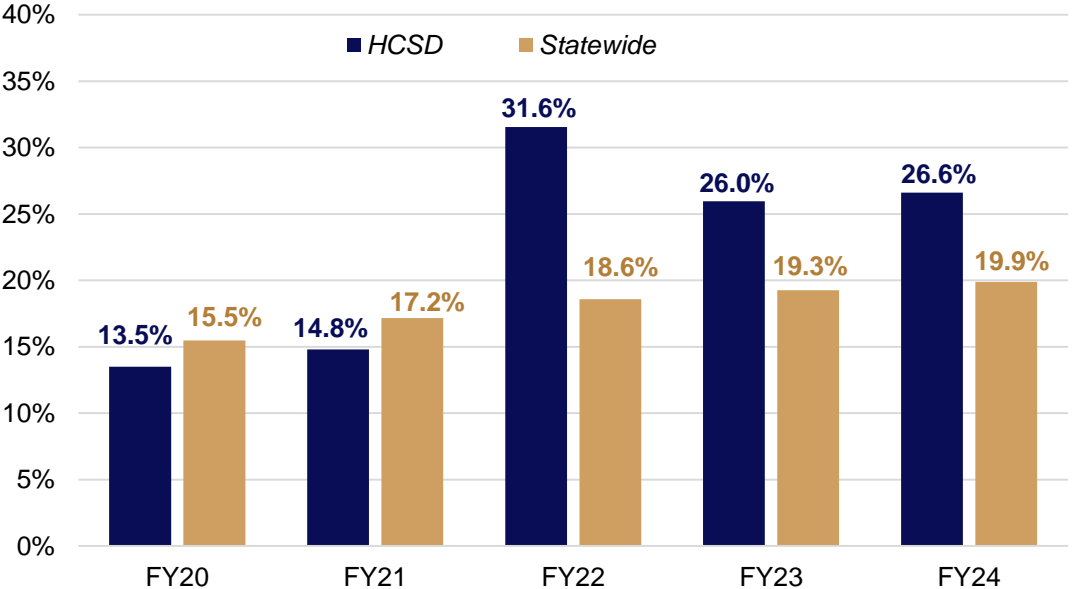
After the transfer of hospitals to private partners, Health Care Services Division's authorized T.O. positions in FY14 only included Lallie Kemp Regional Medical Center.

In FY17 HCSD along with Higher Education's authorized T.O. positions were removed from the General Appropriations Bill.

Historical Average Salary



Turnover History



Top Positions Vacated FY 2024

Position	Number of Employees	Separations	Turnover Rate
Registered Nurse III	34	6	17.6%
Medical Assistant	12	4	33.3%
Phlebotomist II	5	4	80.0%
Admin Coordinator II	13	4	30.8%
Custodian III	14	4	28.6%

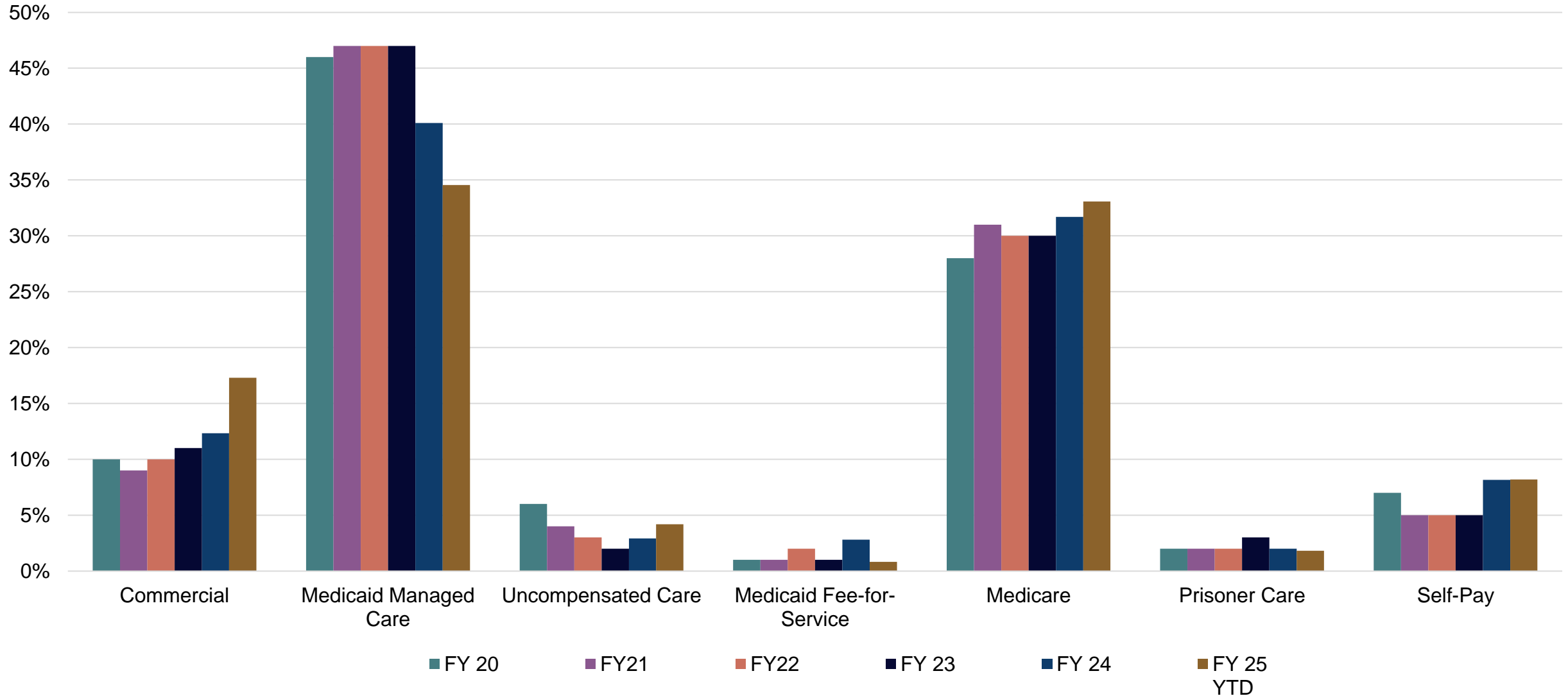
Source: Department of Civil Service

Historical Budgetary Information



HISTORICAL PAYER MIX

Percentage of Revenue Charges at Lallie Kemp



HCSD LEGACY COST

Expenditure	FY 21	FY 22	FY 23	FY 24	Projected FY 25	Projected FY 26
Retirees Group Insurance	\$17,243,775	\$15,929,076	\$14,916,060	\$14,214,879	\$13,981,151	\$13,996,196
Administration of Legacy Costs - Personnel	\$2,469,282	\$3,022,087	\$1,898,719	\$1,951,357	\$1,383,793	\$1,411,469
Administration of Legacy Costs	\$493,856	\$604,417	\$379,744	\$390,272	\$276,759	\$282,294
IT Systems Management	\$530,543	\$382,548	\$383,475	\$389,540	\$395,767	\$221,674
Demolition of McDonogh 11 Bldg	\$0	\$205,042	\$0	\$66,558	\$9,395	\$0
340 B Settlement	\$0	\$102,495	\$0	\$0	\$0	\$0
Cost Report Payment for EKL	\$0	\$0	\$0	\$0	\$200,358	
Miscellaneous (ORM, records maintenance, legal)	\$320,714	\$264,806	\$252,874	\$295,426	\$269,912	\$238,004
Total	\$21,614,791	\$21,058,170	\$17,830,873	\$17,308,032	\$16,517,135	\$16,149,637
<i>SGF Budgeted for Expenditure</i>	<i>\$20,304,971</i>	<i>\$20,510,471</i>	<i>\$21,136,542</i>	<i>\$21,136,542</i>	<i>\$18,560,144</i>	<i>\$18,056,144</i>
Unbudgeted Amount Spent to Cover the Remaining Legacy Costs	\$1,309,820	\$547,699	(\$3,305,669)	(\$3,828,510)	(\$2,043,009)	(\$1,906,507)

DEPARTMENT CONTACTS



Dr. Wayne Wilbright
*Interim Chief Executive Officer &
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Lisa Bruhl
Chief Executive Officer
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Chad Thompson
Chief Financial Officer
cthom5@lsuhsc.edu

General Department Information



OVERVIEW

LSU – Health Care Services Division

The LSU-Health Care Services Division (HCSD) serves as the governing body for Lallie Kemp Medical Center located in Independence, LA. HCSD is also responsible for providing legacy obligations associated with the six former LSU hospitals.

State Legacy Obligations




- Medical records management
- FEMA closeout
- Cost Report settlements
- Mal practice lawsuits
- Retiree group insurance
- Risk management insurance
- Legal fees associated with the partnerships
- IT system management
- Overhead cost allocated to the management of the state obligations

Lallie Kemp Regional Medical Center

- Rural 24 bed acute care critical access hospital serving the Florida Parish region of Southeast Louisiana
- Provides acute care hospital services including inpatient, outpatient, emergency, surgery, and ancillary support services
- Serves as a training site for LSU as well as other colleges, universities, and technical schools for physicians, nurse practitioner, nursing, and allied health students
- Provides offender care for the Department of Corrections
- Provides specialty care including oncology, cardiology, and woman's health
- Support functions which include pharmacy, blood bank, respiratory therapy, and various diagnostic services

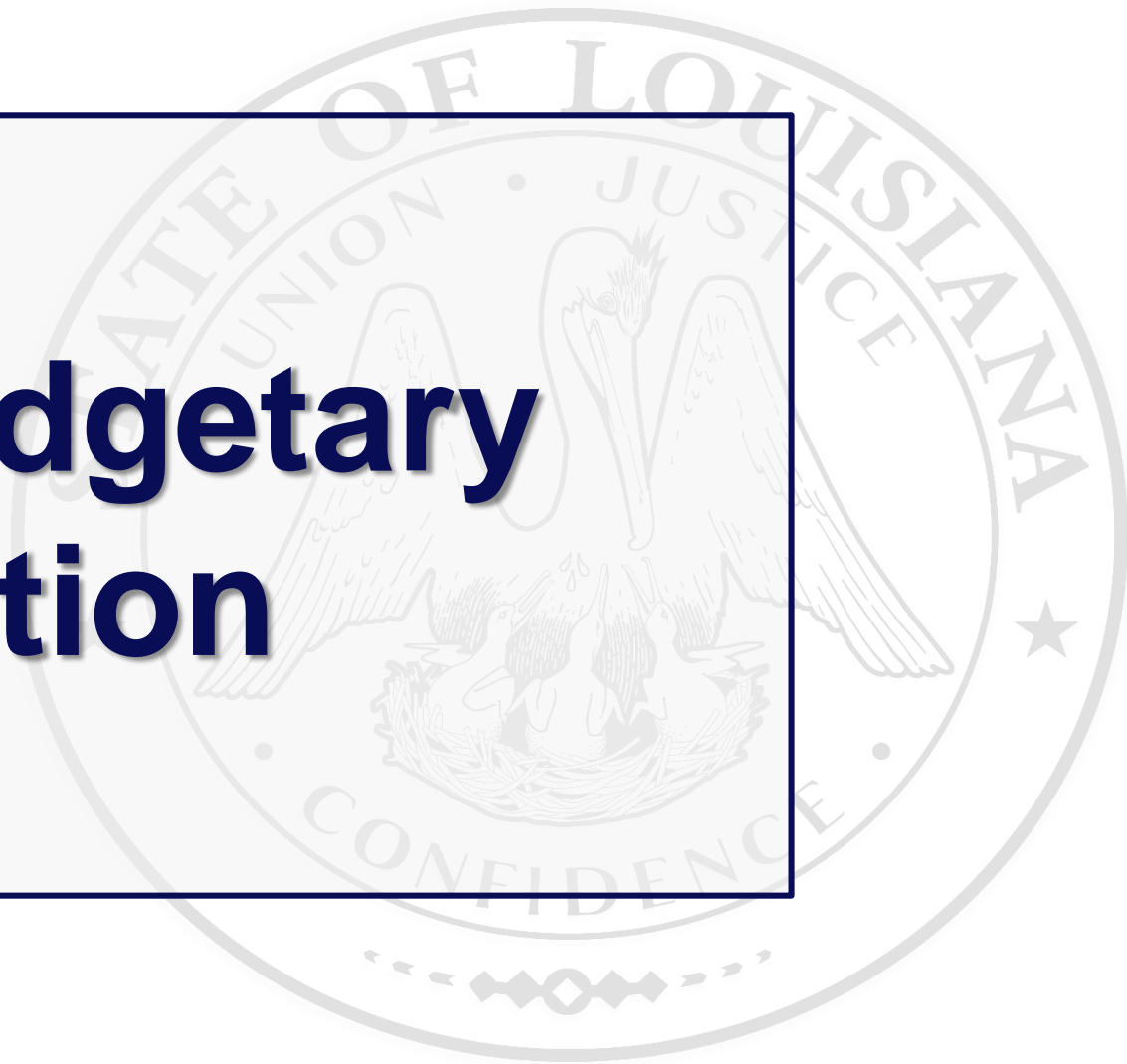


PERFORMANCE INFORMATION

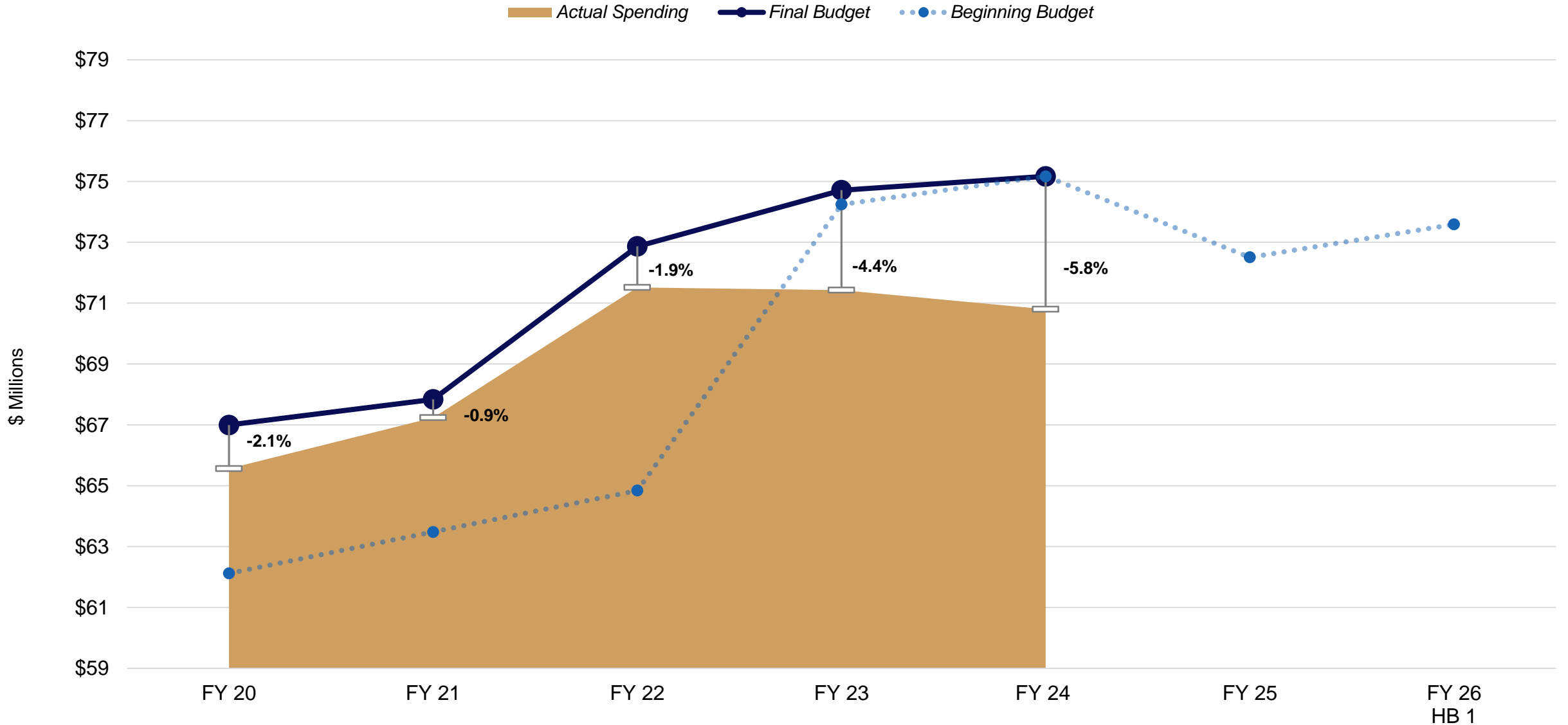
	Metric	2016	2017	2018	2019	2020	2021	2022	2023	2024	
 9-Year Trend (54%)	Hospital Admissions	778	624	599	499	461	433	336	235	354	FY 23 to FY 24 (51%)
 9-Year Trend (27%)	Number of Clinic Visits	38,792	34,283	35,272	34,446	27,432	26,251	28,917	27,928	28,347	FY 23 to FY 24 (2%)
 9-Year Trend (56%)	Number of Emergency Department Visits	26,881	24,924	22,761	21,581	19,581	17,664	19,567	17,599	17,200	FY 23 to FY 24 (2%)
	Overall Patient Satisfaction Survey Rating	74%	85%	94%	69%	80%	87%	80%	100%	81%	
	Willingness to Recommend Hospital	77%	81%	88%	88%	93%	93%	87%	100%	76%	

Source: Louisiana Performance Accountability System (LAPAS)

General Budgetary Information



HISTORICAL BUDGET



FY 25 EXISTING OPERATING BUDGET

The FY 2024-25 Existing Operating Budget (EOB) was frozen on December 1, 2024. This point-in-time reference is used in both the Executive Budget and the General Appropriations Bill.

Means of Finance	Appropriation	Mid-Year Adjustments	Existing Operating Budget
General Fund	\$ 25,004,833	\$ 0	\$ 25,004,833
Interagency Transfers	18,603,701	0	18,603,701
Self-generated Revenue	23,575,560	0	23,575,560
Statutory Dedications	0	0	0
Federal	5,322,790	0	5,322,790
Total	\$ 72,506,884	\$ 0	\$ 72,506,884

Mid-year Adjustments Summary				
July	August	September	October	November
No change	No change	No change	No change	No change

OTHER CHARGES / INTERAGENCY TRANSFERS

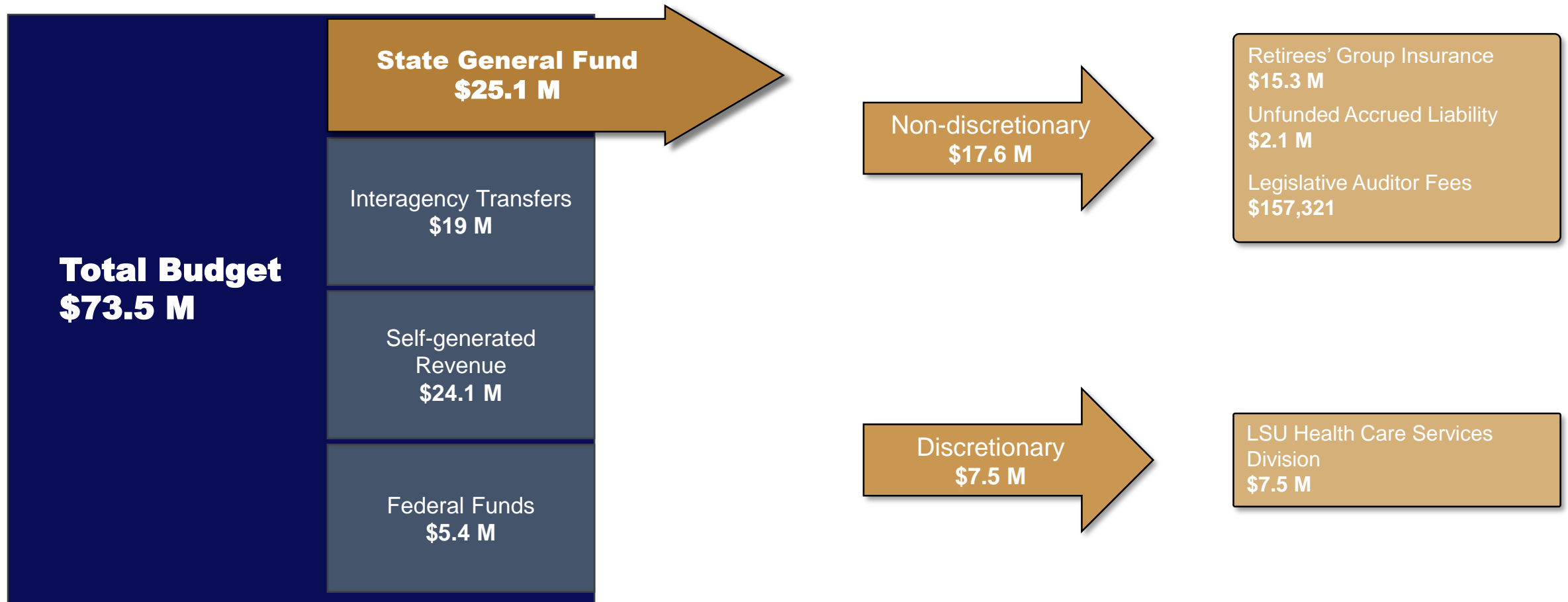
Other Charges

Amount	Description
\$ 22,119,231	HCSD retiree group benefits, medical services provided by LSU Health Science Center and other miscellaneous expenses
\$ 22,119,231	Total Other Charges

Interagency Transfers

Amount	Description
\$ 1,008,463	Office of Risk Management
544,063	Office of State Procurement
164,428	Legislative Auditor Fees
91,411	Civil Service Fees
3,996	HCSD main office transfers to other agencies
\$ 1,812,361	Total Interagency Transfers

DISCRETIONARY EXPENSES



Figures may not add precisely due to rounding