

House Committee on Appropriations

Minutes of Meeting
2017 Regular Session
April 25, 2017

I. CALL TO ORDER

Representative Cameron Henry, Chairman of the House Committee on Appropriations, called the meeting to order at 9:16 a.m. in Room 5, in the State Capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative Cameron Henry, Chairman
Representative Mark Abraham
Representative Beryl A. Amedée
Representative James K. Armes, III
Representative Tony Bacala
Representative Lawrence A. "Larry" Bagley
Representative John A. Berthelot
Representative Robert E. Billiot
Representative Gary M. Carter, Jr.
Representative Charles R. Chaney
Representative Rick Edmonds
Representative Franklin J. Foil
Representative Lance Harris
Representative Bob Hensgens
Representative Valarie Hodges
Representative Walt Leger, III
Representative Jack G. McFarland
Representative Blake Miguez
Representative Dustin Miller
Representative Steve E. Pylant
Representative Jerome Richard
Representative John M. Schroder, Sr.
Representative Scott M. Simon
Representative Patricia Haynes Smith
Representative Jerome "Zee" Zeringue

MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Ms. Katie Andress, Secretary
Mr. Peter G. E. Conroy, Legislative Analyst
Ms. Nancy Keaton, Legislative Analyst

ADDITIONAL ATTENDEES PRESENT:

Ms. Faye Talbot , Sergeant at Arms
Ms. Vivian Hurst, Sergeant at Arms

III. DISCUSSION**Board of Regents**

Dr. Joseph C. Rallo, Commissioner of Higher Education, 1201 North Third Street, Suite 6-200, Baton Rouge, LA 70802, (225) 342-4253, discussed the financial effects of the Taylor Opportunity Program for Students (TOPS) shortfall on the four university systems with Representatives Henry and Bagley.

Mr. Terrence Ginn, Deputy Commissioner of Finance and Administration for the Board of Regents, 1201 North Third Street, Suite 6-200, Baton Rouge, LA 70802, (225) 342-4253, discussed increases in mandated costs and funded vacancies with Representative Henry.

Dr. Rallo discussed tuition authority with Representative Foil, and the effects of a standstill budget on Higher Education with Representative Harris.

Dr. Rallo and Mr. Ginn discussed the total cost of attendance for college students and the scholarship award structure with Representatives Henry and Schroder.

Mr. Ginn discussed the Board of Regent's outcome-based funding formula measures for Higher Education with Representative Amedée. (See Exhibit A)

Department of Corrections

Mr. Thomas Bickham, Undersecretary for the Department of Corrections, 504 Mayflower Street, Baton Rouge, LA 70884, no telephone number provided, discussed the effects of a standstill budget

on the department and the potential savings from prison reform with Representative Henry. He also discussed the department's projected FY17-18 deficit with Representative Leger.

Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP)

Mr. James Waskom, Director of GOHSEP, 7667 Independence Boulevard, Baton Rouge, LA 70806, (225) 925-7501, discussed the state's portion of the cost for the August 2016 floods with Representative Henry. He and Ms. Christina Dayries, Assistant Deputy Director of Grants and Administration, GOHSEP, 7667 Independence Boulevard, Baton Rouge, LA 70806, (225) 358-5599, also discussed FEMA reimbursements for those who assisted with disaster recovery with Representatives Henry, Billiot, and Edmonds.

Mr. Waskom and Mr. Casey Tingle, Assistant Deputy Director for Hazard Mitigation, GOHSEP, 7667 Independence Boulevard, Baton Rouge, LA 70806, (225) 485-7451, discussed using a portion of Community Development Block Grant funds to complete the Comite Diversion Canal project with Representative Hodges.

Department of Civil Service

Mr. Byron P. Decoteau, Jr., Director of the Department of Civil Service, 1201 North Third Street, Suite 3-280, Baton Rouge, LA 70802, (225) 342-8272, presented the department's compensation redesign proposal. (See Exhibit B)

Mr. Decoteau and Ms. Brandy Malatesta, Compensation Administrator for the Department of Civil Service, 1201 North Third Street, Suite 3-280, Baton Rouge, LA 70802, (225) 614-5212, discussed the Fair Market Value comparison used in the compensation redesign plan with Representative Harris.

Mr. Decoteau and Mr. Chris Deer, Deputy Director of the Department of Civil Service, 1201 North Third Street, Suite 3-280, Baton Rouge, LA 70802, (225) 219-9424, compared employee benefits for state employees to benefits for employees in the private sector with Representatives Bacala and Harris.

Mr. Decoteau discussed the makeup of the Civil Service Commission, the benefits of the new compensation plan, and the process to lay off a classified state employee with Representative Miguez.

Ms. Malatesta discussed data used to evaluate state employee compensation rates, and Mr. Decoteau also discussed improving the employee evaluation process with Representative Smith.

Mr. Decoteau discussed the department's efforts to identify waste within state government with Representative Edmonds.

The meeting was recessed at 12:54 p.m. and reconvened at 1:47 p.m.

Louisiana Lottery Corporation

Ms. Rose Hudson, President and Chief Executive Officer of the Louisiana Lottery Corporation, 555 Laurel Street, Baton Rouge, LA 70801, (225) 297-2002, discussed the projected decrease in revenue for FY17-18 with Representative Henry. She also discussed merit increases and unclaimed prize money with Representatives McFarland and Miguez.

Board of Regents

Dr. Sujuan Boutté, Executive Director of the Louisiana Office of Student Financial Assistance (LOSFA), 602 North Fifth Street, Baton Rouge, LA 70802, (225) 219-7295, discussed the process of awarding federal, state, and institutional aid to students, and the definition of "over-award" with Representatives Henry and Schroder.

Office of Technology Services

Mr. Neal Underwood, Deputy Chief Information Officer for the Office of Technology Services, 1201 North Third Street, Suite 2-130, Baton Rouge, LA 70804, (225) 342-7105, discussed the types of services provided by the agency and the agency's FY17-18 budget increase with Representative Henry.

Office of State Procurement

Ms. Paula Tregre, Interim Director of the Office of State Procurement, 1201 North Third Street, Suite 2-160, Baton Rouge, LA 70802, (225) 342-3793, discussed the cost savings from implementing a reverse auction system for state purchasing with Representative Schroder.

Mr. Jonathan Walker, Assistant Director of the Office of State Procurement, 1201 North Third Street, Suite 2-160, Baton Rouge, LA 70802, (225) 342-1038, discussed issues with the state's "Fed Bid" contract and issues with the current reverse auction system with Representative Schroder.

Mr. Randy Davis, Assistant Commissioner for Policy and Personnel, Division of Administration, 1201 North Third Street, Suite 7-210, Baton Rouge, LA 70802, (225) 342-7000, discussed the technological issues with the state's current e-procurement system and the potential cost savings associated with using a reverse auction system with Representative Schroder. He also discussed the differences between state employee purchase cards and travel cards with Representative Miguez.

A handout was given to committee members regarding the agency, but was not discussed during the meeting. (See Exhibit C)

The meeting recessed at 3:08 p.m. and reconvened at 5:35 p.m.

Hospital Public-Private Partnerships

Dr. Dan Snyder, Chief Executive Officer of the University Health System, 1141 Kings Highway, Shreveport, LA 71103, (305) 297-0956, discussed University Health's mission and the core values of the hospital system. (See Exhibit D)

Mr. Aaron Eichorn, Chief Financial Officer of University Health System, 1141 Kings Highway, Shreveport, LA 71103, (646) 912-2507, discussed the number of commercial patients seen per year, the effects of budget reductions to the hospital, and the types of internal audits conducted with Representative McFarland.

Mr. Mike Michot, The Picard Group, 1200 Camellia Boulevard, Suite 101, Lafayette, LA 70508, (337) 989-0071, and Mr. Jerry Phillips, Consultant for LCMC Health and Our Lady of the Lake Regional Medical Center, 13149 Bluffton Avenue, Baton Rouge, LA 70817, (225) 954-2085, presented a brief history of the state hospital system before privatization and the cost savings associated with privatizing certain state hospitals. (See Exhibit E)

Mr. Jason Cobb, Chief Executive Officer of Rapides Regional Medical Center, 211 Fourth Street, Alexandria, LA 71301, (318) 769-3155, and Ms. Nancy Hellyer, Chief Executive Officer of Christus St. Francis Cabrini Health System, 3330 Masonic Drive, Alexandria, LA 71301, (318) 487-1122, discussed the capitation rates for Rapides Regional Medical Center and Christus St. Francis Cabrini Hospital, the number of patients served per year, Medicaid reimbursement rates, and types of specialty clinics in Central Louisiana with Representatives Harris, Miller, and Schroder.

Mr. Charles Whitson, Chief Financial Officer of Lake Charles Memorial Hospital, no contact information provided, discussed the impact of a budget reduction to the hospital with Representative Abraham.

Mr. Bill Masterton, Chief Executive Officer of University Medical Center-New Orleans, no contact information provided, discussed the benefits of the hospital public-private partnerships to patient outcomes. (See Exhibit F)

Louisiana Department of Health (LDH)

Dr. Rebekah Gee, Secretary, and Mr. W. Jeff Reynolds, Undersecretary, Louisiana Department of Health, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed the department's plan to mitigate a FY17-18 budget reduction with Representative Harris.

Ms. Michelle Alletto, LDH Deputy Secretary, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed the number of available emergency waiver slots after FY16-17 mid-year budget reductions with Representative Edmonds.

Mr. Mark Thomas, Assistant Secretary, Office for Citizens with Developmental Disabilities, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed requirements for waiver recipients with Representative Edmonds.

Mr. Andrew Tuozzolo, LDH Chief of Staff, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed the department's internal audit policies with Representative Edmonds.

Ms. Tara LeBlanc, Assistant Secretary for the Office of Aging and Adult Services, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, Dr. Gee, and Mr. Reynolds discussed the cost savings associated with home and community-based services provided by the Community Choices Waiver with Representative Edmonds.

Dr. Gee and Ms. Jen Steele, Medicaid Director for LDH, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed the top priorities of the department, the cost savings associated with managed long-term care, and renegotiations of certain software contracts used for the Medicaid Program with Representatives Bacala and Edmonds.

Mr. Reynolds discussed the department's efforts to backfill reductions to rural hospitals with Representative Chaney.

Dr. Gee and Ms. Steele discussed the administrative cost savings from partnering with Managed Care Organizations (MCO) and the department's efforts to reduce Medicaid fraud, waste, and abuse, and the audit findings within the Medicaid Dental Program with Representative Schroder.

Ms. Alletto discussed the potential duplication of services between the department and the state's Human Service Districts, and the cost savings associated with combining certain administrative functions within the districts with Representative Bacala.

Mr. Reynolds discussed the effects of Federal Medical Assistance Percentages (FMAP) rate changes on a stand-still budget, enhanced MCO payments, and enhanced payments for legacy fee for service providers with Representative Hensgens.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Simon offered a motion to adjourn. Without objection, the motion passed by a vote of 25 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Armes, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, Leger, McFarland, Miguez, Miller, Pylant, Richard, Schroder, Simon, Smith, and Zeringue voted yea.

The meeting was adjourned at 9:06 p.m.

Respectfully submitted,

Chairman Cameron Henry
House Committee on Appropriations