

# HEALTH AND HOSPITALS

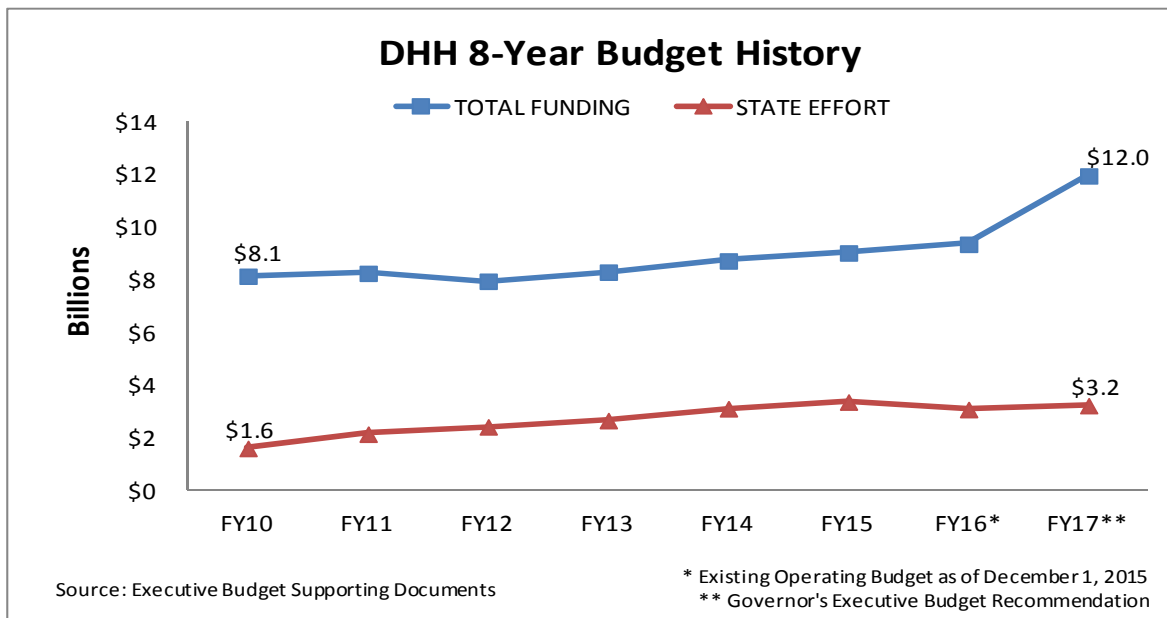
## FY 16 Governor's Deficit Plan

- The Governor's Deficit Plan would reduce DHH's budget by \$6.7 million, with \$4.6 million of that coming from State General Funds.
- Cuts to DHH agencies ranged from 7.2% to 10.4% of their projected remaining state effort. The part of the reduction plan in the chart to the right does not include any reductions to Medicaid.

<b>FY 16 Deficit Reduction Plan</b>	Remaining Total Budget	\$412,176,863
	Remaining State Effort	\$108,971,022
	<b>Reduction of State Effort</b>	<b>(\$6,735,046)</b>
	Reduction Percentage	(6.2%)
<b>Governor's Executive Order</b>	State General Fund	(\$4,588,361)
	<b>Total</b>	<b>(\$4,588,361)</b>
<b>Governor &amp; JLCB Approval</b>	State General Fund	(\$225,039)
	Const. & Stat. Ded.	(\$614,246)
	<b>Total</b>	<b>(\$839,285)</b>
<b>Legislative Approval</b>	State General Fund	\$0
	Const. & Stat. Ded.	(\$131,150)
	Self-Gen. Revenues	(\$1,176,250)
	<b>Total</b>	<b>(\$1,307,400)</b>

- DHH would also take an additional \$64 million cut to Medicaid as part of the Deficit Plan. This reduction includes cuts to Medicaid providers and optional programs, and results in a total decrease of \$169 million after the reduction of \$105 million of matching federal dollars.
- If statewide expenditures are not decreased or additional revenues are not raised, then DHH's budget would require \$252 million in State General Fund reductions and \$662 million in total fund reductions after applying the federal match rate.

## FY 17 Executive Budget



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Means of Finance / Expenditures	Actual Expenditures FY 14-15	EOB FY 15-16 (12/1/15)	Exe Bud Rec FY 16-17	Dollar Change	Percent Change
State General Fund	\$2,159,530,454	\$2,307,668,324	\$2,519,552,475	\$211,884,151	9.2%
Interagency Transfers	284,145,847	452,275,885	292,878,484	(\$159,397,401)	(35.2%)
Fees and Self-Gen Rev	226,661,279	180,307,677	266,568,083	\$86,260,406	47.8%
Statutory Dedications	985,989,088	599,216,336	448,419,545	(\$150,796,791)	(25.2%)
Federal Funds	5,374,842,723	5,820,327,443	8,426,852,943	\$2,606,525,500	0.0%
<b>TOTAL MOF</b>	<b>\$9,031,169,391</b>	<b>\$9,359,795,665</b>	<b>\$11,954,271,530</b>	<b>\$2,594,475,865</b>	<b>27.7%</b>
Salaries	273,531,954	\$269,298,561	\$224,257,717	(\$45,040,844)	(16.7%)
Other Compensation	48,613,999	13,732,542	17,137,683	3,405,141	24.8%
Related Benefits	125,214,928	168,522,708	149,588,628	(18,934,080)	(11.2%)
Travel	2,557,165	3,883,439	3,874,912	(8,527)	(0.2%)
Operating Services	31,525,013	36,985,366	34,905,876	(2,079,490)	(5.6%)
Supplies	28,695,930	32,498,777	32,321,693	(177,084)	(0.5%)
Prof Svcs	127,185,383	166,478,325	207,224,074	40,745,749	24.5%
Other Charges	8,393,203,633	8,663,094,206	11,279,508,971	2,616,414,765	30.2%
Acq/Major Repairs	641,386	5,301,741	5,451,976	150,235	2.8%
Unallotted	0	0	0	0	0.0%
<b>TOTAL EXP</b>	<b>\$9,031,169,391</b>	<b>\$9,359,795,665</b>	<b>\$11,954,271,530</b>	<b>\$2,594,475,865</b>	<b>27.7%</b>
Authorized Positions	5,613	5,502	5,587	85	1.5%

- The \$212 million increase in State General Fund is the net result of numerous adjustments including the following significant items: replacement of one-time dollars; funding provider payments pushed into FY 17 to solve the 1<sup>st</sup> mid-year deficit; Medicaid enrollment and utilization increases; annualization of Medicaid waiver services; providing for federally mandated increases; increases to the public/private hospital partnerships; Medicaid expansion; and an adjustment to decrease funding as DHH's part of the \$2 billion projected deficit.
- Federal budget authority is overstated by at least \$1.1 billion based on the federal match rate because the increases in State General Funds included the federal match, but the adjustment to decrease State General Funds as part of the revenue deficit did not decrease matching federal funds.
- Interagency Transfers decreased by \$75 million due to a means of finance swap that increased Fees and Self-Generated Revenues and decreased Medicaid payments by \$48 million for the LSU Physician Upper Payment Limit Program.
- Statutory Dedications decreased largely due to the replacement of one-time monies including \$115 million from the Overcollections Fund and \$75 million from the Tax Amnesty Fund.
- The FY 16-17 Executive Budget Recommendation includes budget authority for \$1.7 billion in federal funds for the Medicaid expansion. These funds are largely reflected in the Other Charges expenditure category. The budget also includes funding for 55 new positions for the expansion.

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<b>Statutory Dedications That Would Otherwise Revert to SGF</b>	
<b>Statutory Dedication</b>	<b>FY17 Recommended</b>
Tobacco Tax Medicaid Match Fund	\$107,400,000
Health Excellence Fund	\$29,468,427
Louisiana Fund	\$11,626,162
Tobacco Tax Health Care Fund	\$3,506,425
Compulsive and Problem Gaming Fund	\$2,583,873

**Tobacco Tax Medicaid Match Fund** – funds from the 50 cent tobacco tax increase enacted in 2015 are used for the Medicaid Program.

**Health Excellence Fund** (constitutional) - one-third of all dividend and interest income and all realized capital gains on investment of monies in the Millennium Trust created by the tobacco settlement; funds children’s health programs, school-based health clinics, rural health clinics and primary care clinics.

**Louisiana Fund** (constitutional) – initial deposit from the Millennium Trust for children’s health care, services for tobacco-related illnesses, other healthcare initiatives.

**Tobacco Tax Health Care Fund** – 20% of 5/20 of 1 cent tax per cigarette for the programs in the Office of Behavioral Health.

**Compulsive and Problem Gaming Fund** – gaming tax up to \$500,000 deposited into the fund for Office of Behavioral Health programs to treat addictive disorders.

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