



# **HOUSE COMMITTEE ON APPROPRIATIONS**

**FY 12-13**

**Executive Budget Review**

**LSU Health Care Services Division/Health  
Sciences Centers**



**19-610 is the LSU HCSD which has  
eight programs:**

**Executive Administration/General Support**

**Earl K. Long Medical Center**

**University Medical Center – Lafayette**

**W.O. Moss Regional Medical Center**

**Lallie Kemp Regional Medical Center**

**Washington/St Tammany Regional Medical Center**

**Leonard J. Chabert Medical Center**

**Charity Hospital and Medical Center of Louisiana at  
New Orleans**



# Budgetary Structure

**Louisiana has ten state public hospitals.**

- **Seven of Louisiana's ten hospitals are operated by LSU Health Care Services Division (HCSD) and three hospitals are operated by the LSU Health Sciences Center in Shreveport.**
- **The Executive Budget recommendations for the ten hospitals and two associated medical schools and allied health programs in HB1 are provided in two sections of the General Appropriations Bill – the Higher Education section contains appropriations for the three public hospitals in the LSU HSC and the LSU HCSD section contains appropriations for the remaining seven hospitals.**



# HCSD/HSC Institutions

## **LSU Health Sciences Center – Shreveport**

- **School of Medicine**
- **School of Allied Health**
- **School of Graduate Studies**
- **LSU Hospital - Shreveport**
- **E.A. Conway Medical Center**
- **Huey P. Long Medical Center**

## **LSU Health Sciences Center – N.O.**

- **School of Medicine**
- **School of Nursing**
- **School of Dentistry**
- **School of Allied Health**
- **School of Public Health**
- **School of Graduate Studies**

## **Health Care Services Division (HCSD)**

- **Earl K Long Medical Center**
- **Interim LSU Public Hospital**
- **Lallie Kemp Medical Center**
- **Leonard J. Chabert Medical Center**
- **University Medical Center**
- **W.O. Moss Medical Center**
- **Washington-St. Tammany Regional Medical Center**



# HSC Executive Budget By Means of Finance

LSU Health Sciences Centers - New Orleans and Shreveport					
Means of Financing (MOF)	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
State General Fund (SGF)	\$151,981,520	\$146,967,315	\$0	-\$146,967,315	-100.00%
Interagency Transfers (IAT)	\$470,643,744	\$413,308,209	\$399,385,764	-\$13,922,445	-3.37%
Fees & Self-gen Rev (SGR)	\$59,802,366	\$114,942,472	\$105,719,773	-\$9,222,699	-8.02%
Statutory Dedications (SD)	\$29,846,742	\$30,454,490	\$28,554,967	-\$1,899,523	-6.24%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$69,692,481	\$70,564,866	\$70,564,866	\$0	0.00%
<b>TOTAL MOF</b>	<b>\$781,966,853</b>	<b>\$776,237,352</b>	<b>\$604,225,370</b>	<b>-\$172,011,982</b>	<b>-22.16%</b>
<b>Authorized Positions</b>	<b>9,767</b>	<b>8,043</b>	<b>0</b>	<b>-8,043</b>	<b>-100.00%</b>



## HSC Executive Budget Recommendation by Total Means of Financing

Health Sciences Centers	Actual Expenditures FY 10-11	Existing Operating Budget FY 11-12 (12/1/11)	Executive Budget Recommended FY 12-13	Change from FY11-12 to FY12-13	Percent Change from FY11-12 to FY12-13
LSU Health Sciences Center - New Orleans	\$176,833,459	\$181,546,932	\$93,009,202	(\$88,537,730)	-48.8%
LSU Health Sciences Center - Shreveport	\$428,974,107	\$416,425,919	\$371,076,277	(\$45,349,642)	-10.9%
E.A. Conway Medical Center	\$124,030,851	\$123,955,804	\$96,284,403	(\$27,671,401)	-22.3%
Huey P. Long Medical Center	\$52,128,436	\$54,308,697	\$43,855,488	(\$10,453,209)	-19.2%
<b>TOTAL</b>	<b>\$781,966,853</b>	<b>\$776,237,352</b>	<b>\$604,225,370</b>	<b>(\$172,011,982)</b>	<b>-22.2%</b>
Authorized Positions	9,767	8,043	0	(8,043)	-100.0%





# LSU HSC Formula Allocation

Institution Name	FY 13 State General Fund	FY 13 Total MOF	FY 12 EOB SGF	SGF Change	Fy 12 Total MOF	Total MOF Change	% SGF Change
EA Conway	\$9,768,691	\$106,053,094	\$10,513,906	(\$745,215)	\$123,955,804	(\$17,902,710)	-7%
Huey P. Long	\$10,584,821	\$54,440,309	\$11,392,296	(\$807,475)	\$54,308,697	\$131,612	-7%
LSU HSC - NO	\$70,684,724	\$163,693,926	\$76,076,985	(\$5,392,261)	\$181,546,932	(\$17,853,006)	-8%
LSU HSC - S	\$45,512,182	\$416,588,459	\$48,984,128	(\$3,471,946)	\$416,425,919	\$162,540	-8%
<b>LSU SYS Total</b>	<b>\$136,550,418</b>	<b>\$740,775,788</b>	<b>\$146,967,315</b>	<b>(\$10,416,897)</b>	<b>\$776,237,352</b>	<b>(\$35,461,564)</b>	<b>-8%</b>



# HCSD Executive Budget By Means of Finance

## LSU Health Care Services Division

Means of Financing (MOF)	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
State General Fund (SGF)	\$72,220,020	\$64,296,464	\$23,193,051	-\$41,103,413	-63.93%
Interagency Transfers (IAT)	\$654,541,841	\$595,045,883	\$574,169,936	-\$20,875,947	-3.51%
Fees & Self-gen Rev (SGR)	\$92,324,742	\$65,788,131	\$98,682,558	\$32,894,427	50.00%
Statutory Dedications (SD)	\$300,000	\$0	\$41,068,780	\$41,068,780	100.00%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$78,082,167	\$79,447,612	\$87,945,188	\$8,497,576	10.70%
<b>TOTAL MOF</b>	<b>\$897,468,770</b>	<b>\$804,578,090</b>	<b>\$825,059,513</b>	<b>\$20,481,423</b>	<b>2.55%</b>
<b>Authorized Positions</b>	<b>7,215</b>	<b>6,929</b>	<b>6,329</b>	<b>-600</b>	<b>-8.66%</b>



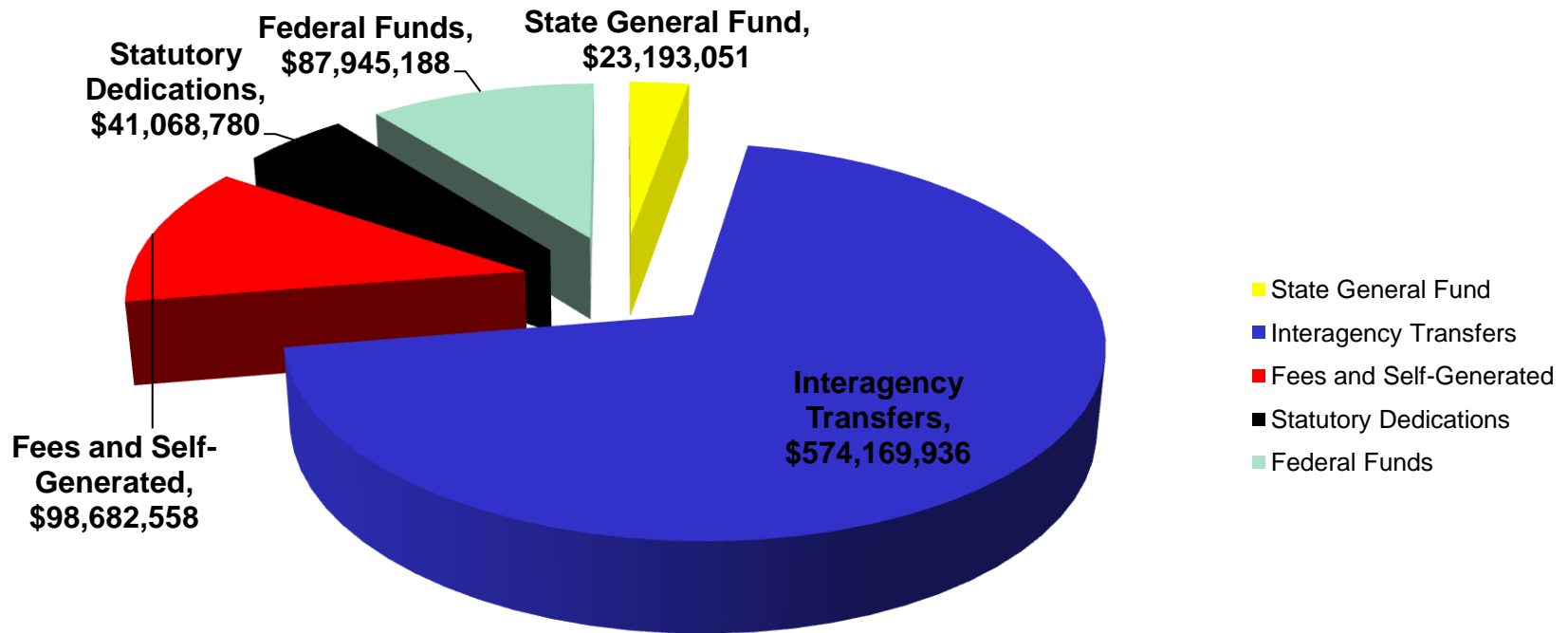


# HCSD Executive Budget Recommendation by Total Means of Financing

Health Care Services Division	Actual Expenditures FY 10-11	Existing Operating Budget FY 11-12 (12/1/11)	Executive Budget Recommended FY 12-13	Change from FY11-12 to FY12-13	Percent Change from FY11-12 to FY12-13
General Admin and Support	\$21,214,881	\$24,053,099	\$24,053,099	\$0	0.0%
Earl K. Long	\$144,745,418	\$118,773,315	\$127,514,486	\$8,741,171	7.4%
University Medical Center - Lafayette	\$110,664,187	\$108,842,650	\$114,106,701	\$5,264,051	4.8%
W.O. Moss Regional Medical Center	\$44,984,624	\$31,461,148	\$39,657,787	\$8,196,639	26.1%
Lallie Kemp Regional Medical Center	\$40,447,704	\$41,967,261	\$40,998,737	(\$968,524)	-2.3%
Washington/St. Tammany Regional Medical Center	\$63,855,830	\$61,009,788	\$60,543,796	(\$465,992)	-0.8%
Leonard J. Chabert Medical Center	\$102,871,499	\$96,695,017	\$99,209,250	\$2,514,233	2.6%
Medical Center of Louisiana at New Orleans	\$368,684,627	\$321,775,812	\$318,975,657	(\$2,800,155)	-0.9%
<b>TOTAL</b>	<b>\$897,468,770</b>	<b>\$804,578,090</b>	<b>\$825,059,513</b>	<b>\$20,481,423</b>	<b>2.5%</b>
Authorized Positions	7,215	6,929	6,329	(600)	-8.7%



# HCSD MOF FY 13





## **HCSD Significant Budget Changes – MOF Substitutions**

**(\$35,000,000) SGF Decreases State General Fund as part of a MOF Swap involving the sale of the New Orleans Adolescent Hospital (NOAH) and increases Statutory Dedications from the Overcollections Fund by a like amount. The proceeds of the sale will be appropriated in HB 822 of the 2012 Legislative Session and deposited into the Overcollections Fund.**

**(\$6,068,780) SGF Decreases State General Funds and replaces them with a like amount of Overcollections Funds to MCLANO from proceeds from the Gulf Opportunity Zone Act of 2005 to be transferred from the City of New Orleans to the Overcollections Fund in HB 822 of the 2012 Legislative Session.**



# Contingency Funding

- **\$41,068,780** in MOF Swaps are contingent upon passage of HB 822 which contains provisions that direct potential proceeds from the sale of the NOAH and Gulf Opportunity Zone (GO Zone) payments from the City of New Orleans to institutions within the HCSD.



# NOAH Sale Proceeds Disbursement

• EKL	\$8,906,912
• UMC - L	\$2,986,824
• W.O. Moss	\$4,112,960
• Lallie Kemp	\$2,338,393
• Washington/St. Tammany	\$2,482,475
• L.J. Chabert	\$2,497,132
• <u>MCLANO</u>	<u>\$11,675,304</u>
• Total	\$35,000,000



# Significant Budget Changes – SGF Reductions

## State General Fund Reductions

<b>(\$17,744,084)</b>	<b>Interim LSU Public Hospital</b>
<b>(\$8,906,912)</b>	<b>Earl K. Long</b>
<b>(\$2,986,824)</b>	<b>University Medical Center in Lafayette</b>
<b>(\$2,482,475)</b>	<b>Washington/St. Tammany Regional Medical Center</b>
<b>(\$2,338,393)</b>	<b>Leonard J. Chabert</b>
<b>(\$4,112,960)</b>	<b>W.O. Moss</b>
<b><u>(\$4,120,357)</u></b>	<b><u>Lallie Kemp</u></b>
<b>(\$41,068,780)</b>	<b>Total</b>





## **Significant Budget Changes – IAT Reductions**

**(\$14.3 million) IAT Reduces Upper Payment Limit IAT because of the implementation of Bayou Health for HCSD agencies.**



# Self-Generated Funding Changes

- \$13.2 million increase in SGR for anticipated revenues associated with the Outpatient Pharmacy distributed as follows. These are new funds the DOA anticipates HCSD will generate:
  - EKL \$4,500,000
  - UMC-L \$2,500,000
  - W.O. Moss \$4,500,000
  - Washington/ ST \$700,000
  - Chabert \$1,000,000



# Significant Budget Changes – Position Loss

## Eliminated Positions by institution:

<b>(13)</b>	<b>Administration</b>
<b>(195)</b>	<b>Medical Center of Louisiana</b>
<b>(99)</b>	<b>Earl K. Long</b>
<b>(89)</b>	<b>Lafayette University Medical Center</b>
<b>(40)</b>	<b>W.O. Moss</b>
<b>(21)</b>	<b>Lallie Kemp</b>
<b>(77)</b>	<b>Washington/St. Tammany Regional Medical Center</b>
<b><u>(66)</u></b>	<b><u>Leonard J. Chabert</u></b>
<b>(600)</b>	<b>Total</b>

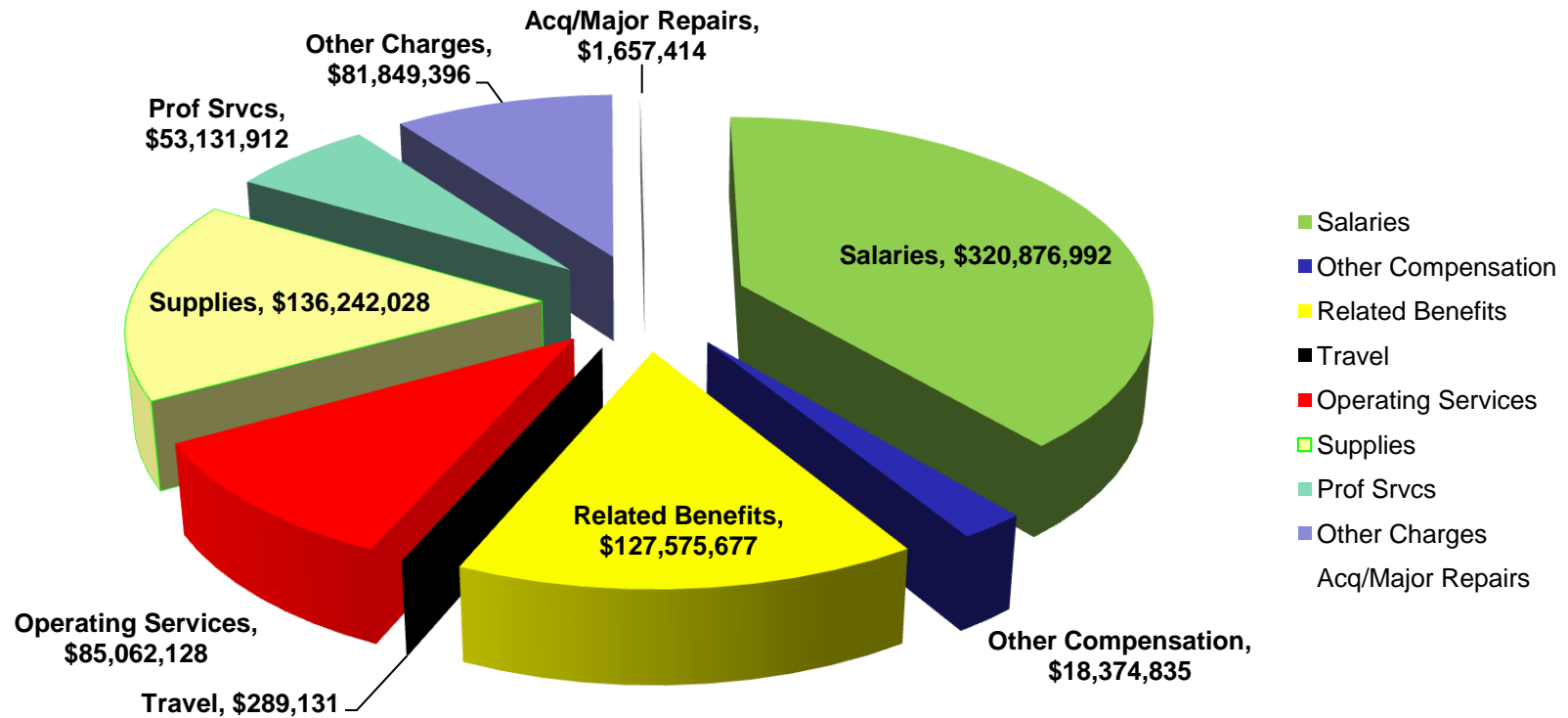


## FY 12-13 HCSD Executive Budget by Expenditures Line Item

Expenditures	FY 10-11 Actual Budget	FY 11-12 Existing Operating Budget (12/01/11)	FY 12-13 Executive Budget	Change from FY 11-12 to FY 12-13	Percent Change
Salaries	\$328,903,689	\$320,876,992	\$320,876,992	\$0	0.0%
Other Compensation	\$18,943,735	\$18,374,835	\$18,374,835	\$0	0.0%
Related Benefits	\$108,433,788	\$109,206,534	\$127,575,677	\$18,369,143	16.8%
Travel	\$172,327	\$289,131	\$289,131	\$0	0.0%
Operating Services	\$69,522,012	\$82,669,974	\$85,062,128	\$2,392,154	2.9%
Supplies	\$146,879,331	\$120,842,028	\$136,242,028	\$15,400,000	12.7%
Prof Srvcs	\$71,212,626	\$50,631,096	\$53,131,912	\$2,500,816	4.9%
Other Charges	\$151,395,370	\$100,030,086	\$81,849,396	-\$18,180,690	-18.2%
Acq/Major Repairs	\$2,005,892	\$1,657,414	\$1,657,414	\$0	0.0%
Unallotted	\$0	\$0	\$0	\$0	0.0%
<b>TOTAL EXP</b>	<b>\$897,468,770</b>	<b>\$804,578,090</b>	<b>\$825,059,513</b>	<b>\$20,481,423</b>	<b>2.5%</b>



# HCSO FY 12-13 Executive Budget Total Expenditure





# Inmate Health Care Costs

- As of 2/29/12, the projected cost to care for state and local prisoners in FY 11-12 is \$29.3 million and may not be included in the HCSD and HSC recommendations for FY 12-13. These costs are anticipated to be similar for FY 11-12. Prisoner health care costs are not Medicaid reimbursable so other means of financing must be used to provide the care.
- Should the \$41.1 million in contingency funding not materialize, the state will have to provide other financing for care costs.





## HCSD Discretionary and Non-Discretionary Funding in FY 12-13 Executive Budget

Discretionary	\$779,214,488	94.44%
Non-Discretionary	\$45,845,025	5.56%
Total	\$825,059,513	100.00%

**Non-discretionary funding within HCSD's FY 12-13 Executive Budget Recommendation is primarily due to retirement costs. Details on the HSCs are not provided in the Executive Budget Document.**



# Average Salaries

- LSU HSC – N.O.  
Classified      \$31,060  
Unclassified    \$58,785
  
- HSC – Shreveport  
Classified      \$35,905  
Unclassified    \$75,092
  
- HCSD  
Classified      \$40,692  
Unclassified    \$82,633



# Affordable Healthcare Act

The Affordable Health Care Act (AHCA) will have no budgetary impact in FY 12-13. LSU anticipates that the earliest the AHCA will have an effect on Louisiana's public hospitals will be 2018.



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