

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Approved By JLCB**

DEPARTMENT: Health

AGENDA NO.: 1

AGENCY: Medical Vendor Payments

ANALYST: Shawn Hotstream

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Private Providers	\$358,414,705	0
Interagency Transfers:	\$0	Public Providers	\$0	0
Self-Generated Revenue:	\$0	Medicare Buy-Ins & Supplements	\$10,047,726	0
Statutory Dedications:	\$0	Uncompensated Care Costs	\$0	0
Federal Funds:	\$368,462,431			
Total	<u>\$368,462,431</u>	Total	<u>\$368,462,431</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase federal budget authority in Medicaid, Medical Vendor Payments by \$368,462,431 in federal matching funds for projected Medicaid payments in FY 17. The source of federal funds is Title 19 federal financial participation. No additional state match is requested associated with this federal fund increase based on sufficient state match funding currently appropriated in the base budget (based on the 2017 March Medicaid Monthly Financial Report).

Federal Fund Need:

Private Providers Program	\$358,414,705	(\$18.9 M in budgeted state match)
Medicare Buy Ins Program	<u>\$10,047,726</u>	(\$6 M in budgeted state match)
	\$368,462,431	Federal fund need

Information provided by LDH indicates federal fund need is largely related to cover costs associated with additional Medicaid expansion enrollees not originally projected in the FY 17 budget. Enrollment reports reflect expansion population enrollment to total 451,592 by 6/30/2017, approximately 77,000 more enrollees (or 439,000 additional member months) assumed in the Medicaid budget. Additional federal fund authority is requested in Private Providers to cover increased enrollment.

Additionally, federal funds are requested to cover the costs associated with Medicare Part B premium and enrollment increases. Premiums are increasing from \$121 to \$149. The monthly Medicaid Report (January 2017) reflects a shortfall of \$16.1 M (\$10,047,726 federal) in the Medicare Buy In program. Additional federal fund authority is being requested in the Medicare Buy Ins program to cover increased premium costs.

II. IMPACT ON FUTURE FISCAL YEARS

The federal matching funds associated with these increases are annualized in the Medical Vendor Payments budget for FY 18.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Original: Not approved by JLCB**

DEPARTMENT: Health

AGENDA NO.: 2

AGENCY: Behavioral Health

ANALYST: Tanesha Morgan

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration & Support	\$0	0
Interagency Transfers:	\$0	Behavioral Health Community	\$371,058	0
Self-Generated Revenue:	\$0	Hospital Based Treatment	\$0	0
Statutory Dedications:	\$0	Auxiliary Account	\$0	0
Federal Funds:	\$371,058			
Total	<u>\$371,058</u>	Total	<u>\$371,058</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase federal expenditure authority in the amount of \$371,058 in FY 17 for the LDH Office of Behavioral Health (OBH). The funds are associated with a 2-year federal grant award totaling \$16,335,942 and will be used to address the state's opioid crisis by increasing access to treatment. The grant was awarded to OBH by the DHHS Substance Abuse & Mental Health Services Administration (SAMHSA). The grant period is 5/1/2017 through 4/30/2019. There is no state match requirement associated with the grant award.

The funds are intended to increase awareness and education about the treatment and prevention of opioid use and abuse, increase the number of individuals being treated for opioid use disorder (OUD) by 1,670, and increase recovery support services for 600 OUD patients. In FY 17, the agency plans to hire 4.5 temporary non-TO positions: 1 full time Lead Project Director to oversee the program and ensure compliance with LDH and SAMHSA rules and regulations, 1 full time Administrative Assistant, 2 full time Coordinators to provide statewide resource support and to develop and implement policies for opioid treatment programs and a part time coordinator to provide training, education, and technical assistance. Projected expenses in FY 17 are reflected below.

Behavioral Health Community Program (\$371,058)

Salaries	\$36,333	FY 17 Allocation for salaries of 4.5 positions
Benefits	\$17,967	FY 17 Allocation for benefits of 4.5 positions
Travel	\$1,000	In state travel for staff to attend meetings
Professional Services	\$15,758	Education training for health care providers
Supplies	<u>\$300,000</u>	Pharmaceutical supplies (Naloxone - Opioid overdose reversal medication that will be distributed to first responders)
TOTAL	\$371,058	

II. IMPACT ON FUTURE FISCAL YEARS

The SAMHSA grant begins 5/1/2017 and continues through 4/30/2019. This BA-7 provides budget authority for the first 2 months of the grant period in the amount of \$371,058, but the full grant award over the 2-year grant period totals \$16,335,942. To provide authorization for the continuation of this grant through the entire award period, OBH will require federal budget authority in the following amounts by fiscal year: \$8,167,971 in FY 18 and \$7,796,913 in FY 19. In FY 18, the agency will hire 1 additional full time temporary non-TO Data Analyst. The positions will not be funded beyond the term of this grant.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request, but at a reduced amount of \$322,918. The original request was \$371,058, and anticipated that OBH would hire an additional 4.5 temporary non-TO positions and provide educational training to healthcare providers in FY 17. However, the agency will not have sufficient time to fill 3 of these positions and conduct the training by the end of the fiscal year. The positions will be filled and the training will be conducted in FY 18.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Amended: Approved by JLCB**

DEPARTMENT: Health

AGENDA NO.: 2

AGENCY: Behavioral Health

ANALYST: Tanesha Morgan

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration & Support	\$0	0
Interagency Transfers:	\$0	Behavioral Health Community	\$322,918	0
Self-Generated Revenue:	\$0	Hospital Based Treatment	\$0	0
Statutory Dedications:	\$0	Auxiliary Account	\$0	0
Federal Funds:	\$322,918			
Total	<u>\$322,918</u>	Total	<u>\$322,918</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase federal expenditure authority in the amount of \$371,058 in FY 17 for the LDH Office of Behavioral Health (OBH). The funds are associated with a 2-year federal grant award totaling \$16,335,942 and will be used to address the state's opioid crisis by increasing access to treatment. The grant was awarded to OBH by the DHHS Substance Abuse & Mental Health Services Administration (SAMHSA). The grant period is 5/1/2017 through 4/30/2019. There is no state match requirement associated with the grant award.

The funds are intended to increase awareness and education about the treatment and prevention of opioid use and abuse, increase the number of individuals being treated for opioid use disorder (OUD) by 1,670, and increase recovery support services for 600 OUD patients. In FY 17, the agency plans to hire 4.5 temporary non-TO positions: 1 full time Lead Project Director to oversee the program and ensure compliance with LDH and SAMHSA rules and regulations, 1 full time Administrative Assistant, 2 full time Coordinators to provide statewide resource support and to develop and implement policies for opioid treatment programs and a part time coordinator to provide training, education, and technical assistance. Projected expenses in FY 17 are reflected below.

Behavioral Health Community Program (\$371,058)

Salaries	\$36,333	FY 17 Allocation for salaries of 4.5 positions
Benefits	\$17,967	FY 17 Allocation for benefits of 4.5 positions
Travel	\$1,000	In state travel for staff to attend meetings
Professional Services	\$15,758	Education training for health care providers
Supplies	<u>\$300,000</u>	Pharmaceutical supplies (Naloxone - Opioid overdose reversal medication that will be distributed to first responders)
TOTAL	\$371,058	

II. IMPACT ON FUTURE FISCAL YEARS

The SAMHSA grant begins 5/1/2017 and continues through 4/30/2019. This BA-7 provides budget authority for the first 2 months of the grant period in the amount of \$371,058, but the full grant award over the 2-year grant period totals \$16,335,942. To provide authorization for the continuation of this grant through the entire award period, OBH will require federal budget authority in the following amounts by fiscal year: \$8,167,971 in FY 18 and \$7,796,913 in FY 19. In FY 18, the agency will hire 1 additional full time temporary non-TO Data Analyst. The positions will not be funded beyond the term of this grant.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request, but at a reduced amount of \$322,918. The original request was \$371,058, and anticipated that OBH would hire an additional 4.5 temporary non-TO positions and provide educational training to healthcare providers in FY 17. However, the agency will not have sufficient time to fill 3 of these positions and conduct the training by the end of the fiscal year. The positions will be filled and the training will be conducted in FY 18.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Approved By JLCB**

DEPARTMENT: Environmental Quality

AGENDA NO.: 3

AGENCY: Environmental Quality

ANALYST: Jodi Mauroner

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Office of the Secretary	\$0	0
Interagency Transfers:	\$0	Environmental Compliance	\$3,145,804	0
Self-Generated Revenue:	\$0	Environmental Services	\$0	0
Statutory Dedications:	\$3,145,804	Management & Finance	\$0	0
Federal Funds:	\$0			
Total	<u>\$3,145,804</u>	Total	<u>\$3,145,804</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase the budget authority of the Office of Environmental Quality by \$3,145,804 out of the statutorily dedicated Waste Tire Management Fund.

The Waste Tire Program provides payments to permitted processors for the proper disposal of collected waste tires to the authorized end use. Since 2006, the average annual processor payment totals have been approximately \$10.5 M. The FY 17 budget of \$10 M, was reduced by \$501,000 as part of the Mid-Year Reduction Plan #2. Although DEQ was not anticipating a shortfall, increased activity for a single processor accelerated payments to the extent that revised current year projections of \$13.9 M exceed this amount by \$3.4 M. Per LA RS 30:2418(I)(3)(a), if funding is insufficient to pay the full amount, proportional payments are made to each processor.

There is approximately \$140,000 in expenditure authority from the Waste Tire Fund remaining; existing obligations total \$1.2 M with remaining FY 17 obligations due June 12th and July 12th. These payment amounts will depend upon the actual cash available at that time. As of 4/30/2017 there is a fund balance of \$1.2 M and DEQ projects an additional \$1.9 M in revenue collections through the end of the fiscal year. This BA-7 would appropriate the remaining fund balance as well as the projected revenues to support FY 17 payment obligations.

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years. The FY 18 budget anticipates a payment level consistent with historical averages.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Approved By JLCB**

DEPARTMENT: Executive

AGENDA NO.: 4

AGENCY: Homeland Security & Emergency Prep

ANALYST: Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$159,000	0
Interagency Transfers:	\$159,000			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$159,000</u>	Total	<u>\$159,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase IAT budget authority in the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) to receive monies sent from the Division of Administration (DOA) for a contract to transport potable water to the town of St. Joseph. This BA-7 authorizes GOHSEP to receive a funds transfer associated with funds authorized in a BA-7 approved in the DOA budget at the 1/27/2017, meeting of the JLCB. The original source of the monies is from Statutory Dedications - State Emergency Response Fund (SERF).

Approval of this BA-7 provides budget authority for the FY 17 projected costs (5 months) associated with the transportation of potable water to multiple dispensing trailers in the town of St. Joseph. The contract was awarded as a 10-day emergency bid costing \$31,800 per month for one year, or \$381,600 total.

The town of St. Joseph has experienced problems with a poorly maintained and deteriorating water distribution system for the past several years. This has resulted in interruptions in service, boil advisories and evidenced levels of lead contamination in the water system. While the town has initiated replacement of the system, this process is not estimated to be completed until some point in 2018. Meanwhile, the existing system continues to deteriorate. Governor John Bel Edwards issued Executive Proclamation No. 180 on 12/16/2016, declaring a public health emergency within the town of St. Joseph.

II. IMPACT ON FUTURE FISCAL YEARS

The annual contract amount for the 10-day emergency bid to provide transportation of potable water to multiple dispensing trailers for the town of St. Joseph, La., will require an increase of \$222,600 IAT in the FY 18 budget recommendation for GOHSEP over the amount currently contained in HB 1 Original.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Approved By JLCB**

DEPARTMENT: Executive

AGENDA NO.: 5A

AGENCY: Homeland Security & Emergency Prep

ANALYST: Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$371,709	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$371,709			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$371,709</u>	Total	<u>\$371,709</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase SGR budget authority in the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) to receive reimbursements from the states of South Carolina, Florida and North Dakota to cover expenses incurred by activation of LA's Emergency Assistance Compact (EMAC) when providing assistance during Hurricane Matthew in October 2016 and the Dakota Access pipeline protest.

EMAC is an all hazards - all disciplines mutual aid compact that serves as the cornerstone of the nation's mutual aid system. EMAC is a national disaster-relief compact ratified by the U.S. Congress and signed into law in 1996 (Public Law 104-321). Through EMAC, 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands have enacted legislation to become EMAC members. EMAC offers assistance during governor-declared states of emergency or disaster through a responsive, straightforward system that allows states to send personnel, equipment, and commodities to assist with response and recovery efforts in other states.

This BA-7 will increase GOHSEP's SGR authority to provide sufficient budget resources to receive reimbursements for expenditures realized by the Department of Military Affairs for its response in South Carolina and Florida during Hurricane Matthew and its aftermath in October of 2016. This BA-7 will also provide authority to receive reimbursements for expenditures realized with the Dakota Access pipeline protest.

This BA-7 increases authority in the Other Charges expenditure category associated with activation of the EMAC as detailed below.

*Hurricane Matthew response - \$352,584 (to be sent by IAT to Military Affairs, see companion BA-7 #2B)

Expenditures incurred by the Department of Military Affairs were associated with the deployment of personnel and equipment to South Carolina and Florida during the impact of Hurricane Andrew from 10/8/2016 - 10/21/2016.

Cost breakdown:

	Florida	South Carolina	Total
State Active Duty Pay	\$7,497	\$10,679	\$18,176
Travel	\$0	\$960	\$960
Equipment Usage/ Aviation	<u>\$131,015</u>	<u>\$202,433</u>	<u>\$333,448</u>
	\$138,512	\$214,072	\$352,584

*Dakota Access pipeline protest - \$78,782

Expenditures incurred by the deployment of law enforcement support services on two occasions dating 11/5/2016 - 11/14/2016 and 1/9/2017 - 1/19/2017. This deployment included:

4 Lafourche Parish Deputies from 11/5/2016 - 11/14/2016:	\$19,010
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May 22, 2017

**LEGISLATIVE FISCAL OFFICE
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6 St. Charles Parish Deputies from 11/ /5/2016 - 11/14/2016:	\$36,790
2 St. Charles Parish Deputies - PIO support from 1/9/2017 - 1/19/2017:	<u>\$22,982</u>
	\$78,782

***Note:** The total EMAC expenditure associated with these two activation events is \$431,366, which exceeds the amount of this BA-7 by \$59,657. GOHSEP base expenditure authority includes allocations for SGR reimbursements by other states, but was short of the total amount needed for FY 17 by the \$371,709 amount of this BA-7.

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Approved By JLCB**

DEPARTMENT: Executive

AGENDA NO.: **5B**

AGENCY: Department of Military Affairs

ANALYST: Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Military Affairs	\$352,584	0
Interagency Transfers:	\$352,584	Education	\$0	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$352,584</u>	Total	<u>\$352,584</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase IAT budget authority to receive reimbursements from the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) to cover expenses incurred by activation of LA's Emergency Assistance Compact (EMAC) when providing assistance during Hurricane Matthew and its aftermath in October 2016. The original source of revenues is SGR reimbursed to GOHSEP from the states of South Carolina and Florida.

EMAC is an all hazards - all disciplines mutual aid compact that serves as the cornerstone of the nation's mutual aid system. EMAC is a national disaster-relief compact ratified by the U.S. Congress and signed into law in 1996 (Public Law 104-321). Through EMAC, 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands have enacted legislation to become EMAC members. EMAC offers assistance during governor-declared states of emergency or disaster through a responsive, straightforward system that allows states to send personnel, equipment, and commodities to assist with response and recovery efforts in other states.

This BA-7 increases authority in the Other Charge expenditure category associated with activations of the EMAC as detailed below:

Cost breakdown:

	Florida	South Carolina	Total
State Active Duty Pay	\$7,497	\$10,679	\$18,176
Travel	\$0	\$960	\$960
Equipment Usage/ Aviation	<u>\$131,015</u>	<u>\$202,433</u>	<u>\$333,448</u>
	<u>\$138,512</u>	<u>\$214,072</u>	<u>\$352,584</u>

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.