

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

DEPARTMENT: Veterans Affairs

AGENDA NO.: 1

AGENCY: Department of Veterans Affairs

ANALYST: Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$350,000	0
Interagency Transfers:	\$0	Claims	\$0	0
Self-Generated Revenue:	\$0	Contact Assistance	\$0	0
Statutory Dedications:	\$350,000	State Approval Agency	\$0	0
Federal Funds:	\$0	State Veterans Cemetery	\$0	0
Total	<u>\$350,000</u>	Total	<u>\$350,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase statutory dedication budget authority by \$350,000 in the LA Military Family Assistance (MFA) Fund within the Department of Veterans Affairs. The original source of revenue in the statutorily dedicated fund is private donations made by individuals and corporations directly to the MFA fund. As of 09/06/2016, the MFA fund balance was \$769,017.

Act 151 of 2005 established the MFA fund to help members of LA National Guard and LA Military Reserves with any financial hardships their families may encounter when the members temporarily left civilian employment as a result of being placed on active-duty status. Also, Act 151 created the LA Military Family Assistance Board to oversee the MFA fund. The MFA fund eligibility was expanded to include veterans (Act 256 of 2010), all active-duty service members regardless of when they were deactivated (Act 185 of 2016) and honorably discharged active-duty military members and family (Act 402 of 2016). Awards from the MFA fund may be used to help defray the costs of such necessities as food, housing, medical expenses, and auto repair. The maximum award is \$10,000 in a 12-month period. All MFA fund awards are need-based.

On 08/30/2016, the MFA Board met regarding emergency assistance as a result of the recent flooding. The board approved the one-time use of \$350,000 from the MFA fund balance to assistance up to 1,000 eligible military members, veterans and family members with a \$350 award. The awards will be distributed on a first-come-first-serve basis to all applicants that show an actual provable need. Reflected below are the amount of MFA funds that were appropriated during the legislative session and the BA-7 request for an additional appropriation of MFA funds. If approved, Veterans Affairs will have a total of \$465,528 in MFA funds available for eligible applicants.

LA Military Family Assistance (MFA) Fund	
Appropriated -	\$115,528
BA-7 Request -	<u>\$350,000</u>
Total	\$465,528

As of 09/06/2016, Veterans Affairs had received 402 applications, approved 54 applicants and issued 16 checks to applicants totaling \$5,600.

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: Health

AGENDA NO.: 2

AGENCY: Aging & Adult Services

ANALYST: Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Admin Protection & Support	\$1,090,821	0
Interagency Transfers:	\$1,090,821	Villa Feliciano Medical Complex	\$0	0
Self-Generated Revenue:	\$0	Auxiliary	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$1,090,821</u>	Total	<u>\$1,090,821</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase Interagency Transfers (IAT) budget authority by \$1,090,821 in the Administration Protection & Support Program of the Office of Aging & Adult Services (OAAS) within the LA Department of Health (LDH). The IAT funds are from the Office of Community Development - Disaster Recovery Unit. The source of IAT funds is a \$19.5 M Disaster Case Management (DCM) federal grant from Federal Emergency Management Agency (FEMA) in connection with the Spring 2016 floods. The grant requires no state match.

Under the DCM grant, case managers are a single point of contact for individuals or families who were impacted by the floods. Case managers meet one-on-one with individuals or families to assess their unmet needs and then make referrals to the appropriate agencies for services. The goal of the case manager is to help households return to a state of independence. As a sub-grantee, OAAS will administer the grant and is responsible for training, support, data collection, and oversight of seven community non-profits that provide case management. With the help of the community non-profits, OAAS will provide disaster case management to an estimated 8,025 households in 49 parishes over a 2-year period.

Expenditures for this BA-7 request are as follows:

Other Charges (Personal Services) - \$926,742

Approximately 10 months of salary (\$652,635) for 13 job appointments to administer the DCM grant. In addition, 50% of the salary of an existing position, State Project Director, is included. The job appointments will end when funding from the grant ends in FY 19. The positions and salaries are as follows:

Salaries:	FY 17 10 Months Salary	FY 18 Annualized Salary
<u>New Positions</u>		
2 positions - Program Manager (\$66,144 annual salary*)	\$110,240	\$132,288
2 positions - Program Monitor (\$81,016 annual salary*)	\$135,026	\$162,032
6 positions - Administrative Coordinator 4 (\$52,416 annual salary*)	\$270,400	\$324,480
1 position - Administrative Coordinator 3 (\$38,480 annual salary)	\$ 32,067	\$ 38,480
2 positions - Administrative Assistant 4 (\$43,472 annual salary)	\$ 68,294	\$ 86,944
<u>Existing Position</u>		
1 position - Project Director (\$36,608, 50% of annual salary)	<u>\$ 36,608</u>	<u>\$ 36,608</u>
	\$652,635	\$780,832

*Annual salaries are based on an average.

Related Benefits:

Related benefits are calculated at 42% of salaries (\$274,107).

Other Charges (Travel and Training) - \$84,884

All 13 positions will spend at least 25% of their time traveling to all 51 affected parishes (\$69,870). Expenses for training provided to community non-profits by OAAS staff as well as a third-party contractor (\$15,014).

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

Other Charges (Operating Services) - \$27,243

Expenses for desk phones for 8 employees to answer a 1-800 number (\$6,251); postage, printing and mailings (\$4,000); and laptops and printers for 12 staff (\$16,992).

Other Charges (Supplies) - \$5,652

Various office supplies such as paper, pens, folders, etc. for each of the 13 employees.

Other Charges (IAT) - \$46,300

Office rent for space in the Bienville building (\$36,000); mobile devices for 12 employees (\$9,000); and a 1-800 number (\$1,300).

II. IMPACT ON FUTURE FISCAL YEARS

The Disaster Case Management (DCM) grant period is 07/18/2016 through 07/17/2018. The grant is anticipated to be budgeted as follows: FY 18 - \$1,309,756 and FY 19 - \$216,974. OAAS may carry forward any unused funds until the grant period expires on 07/17/2018.

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: Health

AGENDA NO.: 3

AGENCY: Public Health

ANALYST: Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Public Health Services	\$3,385,345	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$3,385,345			
Total	<u>\$3,385,345</u>	Total	<u>\$3,385,345</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase Federal funds budget authority by \$3,385,345 in the Office of Public Health (OPH) within the LA Department of Health (LDH). The source of funds are three Federal grants from the Centers for Disease Control and Prevention (CDC). Each grant will address the Zika virus as follows: (1) \$400,000 - Surveillance, intervention, and referral to services for infants with microcephaly or other adverse outcomes linked with the Zika virus; (2) \$340,755 - Public Health Preparedness and Response Program (PHPR) for the Zika Virus Disease (ZVD) ; and (3) \$2,644,590 - Epidemiology and Laboratory Capacity (ELC) for Infectious Diseases . The grants require no state match.

Total expenditures for this BA-7 request are as follows:

	<u>Birth Defects</u>	<u>PHPR</u>	<u>ELC</u>	<u>Total Amount</u>
Other Compensation	\$204,202	\$0	\$0	\$204,202
Travel	\$5,000	\$0	\$10,964	\$15,964
Operating Services	\$5,525	\$0	\$0	\$5,525
Supplies	\$311	\$65,500	\$545,357	\$611,168
Professional Services	\$0	\$0	\$229,383	\$229,383
Other Charges	\$184,962	\$275,255	\$979,006	\$1,439,223
Interagency Transfer:	\$0	\$0	\$250,000	\$250,000
Acquisitions	<u>\$0</u>	<u>\$0</u>	<u>\$629,880</u>	<u>\$629,880</u>
TOTAL	\$400,000	\$340,755	\$2,644,590	\$3,385,345

Surveillance, Intervention, and Referral for Infants with Birth Defects - \$400,000

The Zika virus infection during pregnancy can cause serious birth defects, including microcephaly and other severe fetal brain defects. The CDC will be developing a national registry of pregnant women who have proven laboratory evidence of being infected with the Zika virus. The grant funding will be used to assist LDH in developing a birth defects registry relating to the Zika virus. Also, the grant will help ensure that affected infants and their families are referred to appropriate health and social services as well as enable LDH to monitor over time the health and developmental outcomes of children affected by Zika.

Expenditures are as follows:

Other Compensation - \$204,202

Funding for 5 Clinical Liaison positions (\$40,840 per position). The positions will be temporary WAE (when actually employed) positions. The temporary positions perform surveillance and intervention activities as well as referral services for infants with microcephaly and birth defects associated with the Zika virus.

Travel - \$5,000

Regional travel of the 5 clinical liaison positions.

Operating Services - \$5,525

Printing of Zika prevention materials for birthing hospitals.

Supplies - \$311

Purchase of the Ages and Stages Questionnaire (ASQ), which is a screening system that pinpoints developmental progress in children between the ages of one month and 5 ½ years. ASQ will be used in surveillance activities.

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

Other Charges - \$184,962

Contracts with the following: (1) a Clinical Reviewer to review abstracted data of cases of microcephaly and select central nervous system defects associated with Zika virus; (2) a Zika Surveillance Coordinator to serve as the primary contact for surveillance, intervention and referral; and (3) a Senior Epidemiologist to perform all data management and analysis activities.

Public Health Preparedness and Response (PHPR) for Zika 2016 - \$340,755

The grant funding is intended for education and outreach activities to the general public, local health departments, and healthcare communities throughout the state regarding the Zika virus.

Expenditures are as follows:

Supplies - \$65,500

Purchase of push cards, door hangers, posters, and kit materials to provide information regarding Zika and prevention.

Other Charges - \$275,255

Funding for Zika training to local and state partners, meetings, and TV and radio PSA development.

Epidemiology and Laboratory Capacity (ELC) - \$2,644,590

The grant funding is for activities such as surveillance of mosquito breeding sites, improving mosquito control and monitoring, strengthening lab capacity, and supporting Zika affected pregnancy registries and birth defect monitoring through OPH lab testing.

Expenditures are as follows:

Travel - \$10,964

OPH staff to attend in-state and out-of-state Zika related meetings and conferences.

Supplies - \$545,357

Purchase of lab reagents for Zika testing; general office supplies such as copy paper, notepads, pens, binder clips, shipping, etc.; and vector control supplies for the elimination of mosquito larvae.

Professional Services - \$229,383

Shipment of lab specimens to the CDC; maintenance for microplate reader that detects the presence of antibodies and antigens related to Zika; and a laboratory information management system (LIMS) that aids in analyses of lab samples.

Other Charges - \$979,006

Contracts for the followings: (1) train and staff a public hotline; (2) develop a lab diagnostic capacity for testing mosquito pools; (3) mosquito mapping statewide; and (4) vector source reduction, which is the removal or permanent destruction of mosquito breeding sites.

Interagency Transfer - \$250,000

Agreement with Department of Entomology and Agriculture Center at LSU to detect and systematically map the presence of specific mosquitoes that carry the Zika virus across the state.

Acquisitions - \$629,880

Purchase of lab equipment including a plate washer; Version 11 of Laboratory Information Management Systems (LIMS) software; vector control equipment for mosquito abatement; and a high capacity printer.

II. IMPACT ON FUTURE FISCAL YEARS

The Surveillance, Intervention, and Referral for Infants with Microcephaly grant period is 08/01/2016 through 07/31/2021. The grant is anticipated to budget as follows: FY 18 - \$400,000, FY 19 - \$400,000, FY 20 - \$400,000, and FY 21 - \$400,000.

The Public Health Preparedness and Response (PHPR) for Zika 2016 grant period is from 07/01/2016 through 06/30/2018. OPH may carry forward any unused funds until the grant period expires on 06/30/2018.

The Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) grant period for the Zika outbreak is from 08/01/2016 through 07/31/2017. OPH may carry forward any unused funds until the grant period expires on 07/31/2019.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
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DEPARTMENT: Health

AGENDA NO.: 4

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	\$32,250,877	0
Interagency Transfers:	\$0	Public Providers	\$0	0
Self-Generated Revenue:	\$0	Medicare Buy-Ins & Supplements	\$0	0
Statutory Dedications:	\$0	Uncompensated Care Costs	\$0	0
Federal Funds:	\$32,250,877			
Total	<u>\$32,250,877</u>	Total	<u>\$32,250,877</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase federal funds budget authority by \$32,250,877 in the LA Department of Health (LDH), Medical Vendor Payments. The source of federal funds is Title XIX federal financial participation. There is no state match requirement for these federal funds.

The federal funds will be used by the LDH to pay higher rates for 5 months (August through December, 2016) to the 5 health plans (Managed Care Organizations) that provide physical and behavioral health coverage for the Medicaid expansion population. Information provided by the LDH indicates the rate paid to the managed care organizations will temporarily increase from \$523.04 per member per month (budgeted for FY 17) to \$544.97 per member per month. Per member per month payments for the new Medicaid expansion population (eligible up to 138% of the federal poverty level) covered under the Affordable Care Act require no state match through 12/31/2016. The BA-7 further indicates payment rates are temporary, and will be reduced back to the level budgeted in FY 17 to avoid any new state match requirement.

Information provided by the LDH reflects that the temporary per member per month capitation rate proposed to be paid to the managed care plans falls at the mid point of the rate range certified by LDH actuaries to meet requirements for approval by the Centers for Medicare & Medicaid (CMS). LDH contracts with an actuarial consultant (Mercer) to develop a capitation rate range for managed care plans (Healthy Louisiana) in accordance with CMS rate-setting guidelines, and the LDH decides a point within the range to reimburse the plans. The FY 17 Medicaid budget is based on a rate at the 25th percentile of the actuarially sound range. The BA-7 proposes to increase the rate to the 50th percentile through December.

II. IMPACT ON FUTURE FISCAL YEARS

To the extent the approval by CMS is granted beyond December 2016, the LDH anticipates these payments can be made retroactively.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The LFO recommends approval of this BA-7 subject to approval of the rate change by the CMS.