

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

Total Health Care Services Division

	FY09 Budget	FY10 Recommended Budget	\$ Change	% Change
Collections:				
State General Fund	\$ 89,938,199	\$ 79,925,475	\$ (10,012,724)	-11.13%
Interim Emergency Board		\$ -		
Overcollections Fund	\$ 1,870,000	\$ -	\$ (1,870,000)	-100.00%
Medicaid Claims	\$ 224,333,374	\$ 251,677,440	\$ 27,344,066	
Medicaid Cost Reports		\$ -	\$ -	
Medicaid Poolings		\$ -	\$ -	
Total Medicaid	224,333,374	251,677,440	\$ 27,344,066	12.19%
Uncompensated Care	461,640,827	420,310,863	\$ (41,329,964)	-8.95%
UCC in Reserve	14,649,999		\$ (14,649,999)	
Other Collections:				
Medicare	81,142,021	77,756,269	\$ (3,385,752)	
Medicare Cost Reports		0	\$ -	
Commercial/Private Pay	55,950,061	44,888,064	\$ (11,061,997)	
Misc. Self Generated	40,917,661	36,335,674	\$ (4,581,987)	
Restricted Funds		4,492,407	\$ 4,492,407	
Poolings		0		
Total Other Collections	178,009,743	163,472,414	\$ (14,537,329)	-8.17%
Total Collections	\$ 970,442,142	\$ 915,386,192	\$ (40,405,951)	-4.16%
Spending				
Personal Services	\$ 420,962,451	\$ 459,304,017	\$ 38,341,566	9.11%
Other Expenses	\$ 549,479,691	\$ 456,082,175	\$ (93,397,516)	-17.00%
Total Spending	\$ 970,442,142	\$ 915,386,192	\$ (55,055,950)	-5.67%
Variance	\$ -	\$ -		

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

Changes from FY 2008-2009 Operations

FY09 Budget	\$ 970,442,142
State General Fund Reductions associated with non-allowable costs being addressed through cost conversions, cost eliminations, and additional revenues	\$ (12,232,724)
Decrease in UCC being earned as a result of conversion to allowable costs, i.e. teaching programs, space utilization, etc.	\$ (28,635,897)
Decrease in other collections	\$ (19,029,736)
HB881 amendment for colorectal cancer screening	\$ 350,000
HCSD Restricted funds being utilized for state match in UCC program and for nonallowable costs associated w/BMC DPP Unit	\$ 4,492,407
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FY10 Operating Budget	\$ 915,386,192

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

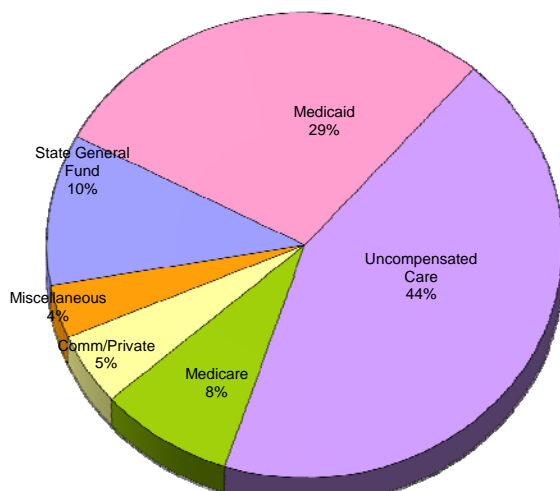
Total Health Care Services Division

	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Collections:					
State General Fund	\$ 94,771,918	\$ 88,569,783	\$ 79,925,475	\$ (8,644,308)	-9.76%
Interim Emergency Board		\$ 1,258,774	\$ -	\$ (1,258,774)	-100.00%
Overcollections Fund	\$ -	\$ 7,500,000	\$ -	\$ (7,500,000)	-100.00%
Medicaid Claims	\$ 206,998,547	\$ 241,441,297	\$ 251,677,440	\$ 10,236,143	
Medicaid Cost Reports	\$ -	\$ 23,814,423	\$ -	\$ (23,814,423)	
Medicaid Poolings	\$ -	\$ -	\$ -	\$ -	
Total Medicaid	206,998,547	265,255,720	251,677,440	\$ (13,578,280)	-5.12%
Uncompensated Care	391,473,113	405,100,287	420,310,863 *	\$ 15,210,576	3.75%
UCC in Reserve					
Other Collections:					
Medicare	68,735,084	74,360,438	77,756,269	\$ 3,395,832	
Medicare Cost Reports	10,278,684	4,157,270	0	\$ (4,157,270)	
Commercial/Private Pay	47,801,274	46,652,295	44,888,064	\$ (1,764,231)	
Misc. Self Generated	34,502,512	34,238,876	36,335,674	\$ 2,096,798	
Restricted Funds	0	0	4,492,407 *	\$ 4,492,407	
Poolings	1,970,230	0	0	\$ -	
Total Other Collections	163,287,785	159,408,878	163,472,414	\$ 4,063,536	2.55%
Total Collections	\$ 856,531,362	\$ 927,093,442	\$ 915,386,192	\$ (10,448,475)	-1.13%
Spending					
Personal Services	\$ 381,011,723	\$ 440,553,836	\$ 459,304,017	\$ 18,750,181	4.26%
Other Expenses	\$ 451,596,148	\$ 478,621,960	\$ 456,082,175	\$ (22,539,785)	-4.71%
Total Spending	\$ 832,607,872	\$ 919,175,796	\$ 915,386,192	\$ (3,789,604)	-0.41%
Variance	\$ 23,923,490	\$ 7,917,646 **	\$ -		

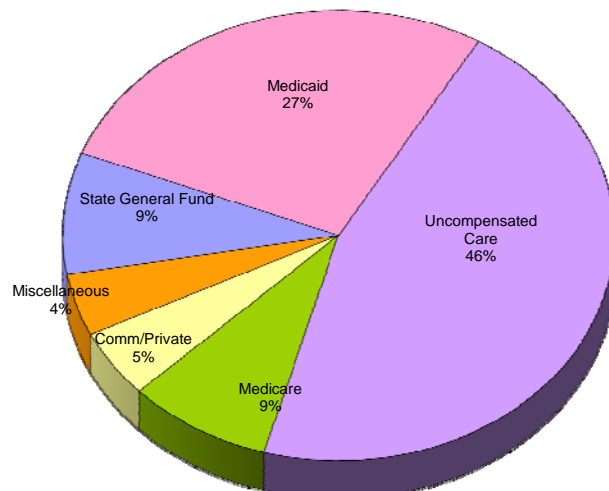
* HCSD will be providing \$3,738,858 of restricted funds to match federal UCC funding of \$7,804,391 for a total of \$11,543,249 funding necessary to continue current operations. In addition, HCSD will be providing \$753,549 of restricted funds necessary to continue operation of BMC Distinct Part Psychiatric Unit. \$535,289 will be used to match federal UCC dollars for a total of \$1,652,636 in UCC funding and \$218,260 to fund non-allowable costs.

** Total year end variance is \$11,728,417 which is comprised of \$7,917,646 overcollections and \$3,810,771 surplus in the HCSD Central Office. We expect these monies to be returned to payers via settlements.

FY09 Actual Collections



FY10 Means of Financing

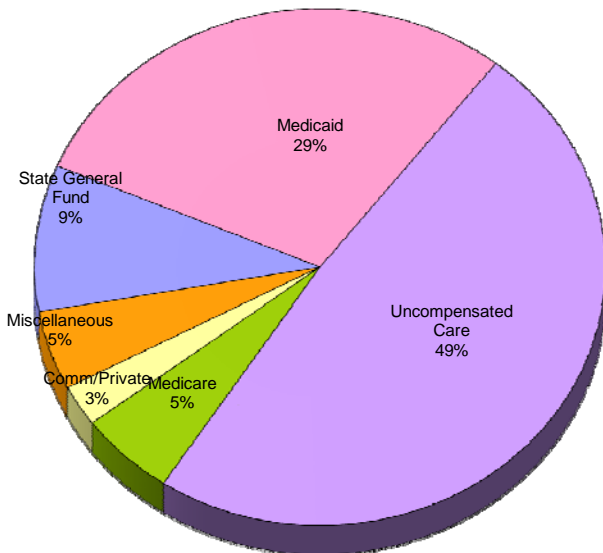


**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

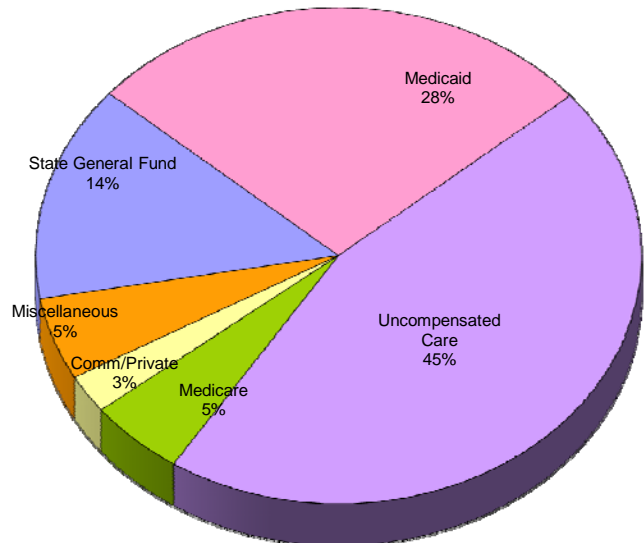
Earl K. Long Medical Center

	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Collections:					
State General Fund	\$ 18,235,633	\$ 13,604,679	\$ 21,856,721	\$ 8,252,042	60.66%
Interim Emergency Board Overcollections Fund		\$ 1,105,423		\$ - \$ (1,105,423)	-100.00%
Medicaid Claims	40,735,141	44,432,445	42,651,809		
Medicaid Cost Reports Medicaid Poolings		2,353,440			
Total Medicaid	40,735,141	46,785,885	42,651,809	\$ (4,134,076)	-8.84%
Uncompensated Care	69,639,759	78,103,836	70,236,676	\$ (7,867,160)	-10.07%
Other Collections:					
Medicare	7,837,855	7,745,452	8,004,488		
Medicare Cost Reports Commercial/Private Pay	(276,737) 3,346,963	1,021,112 4,141,789	3,893,728		
Misc. Self Generated Restricted Funds Poolings	7,040,173	7,926,003	8,340,102		
Total Other Collections	17,948,254	20,834,355	20,238,318	\$ (596,037)	-2.86%
Total Collections	\$ 146,558,787	\$ 160,434,178	\$ 154,983,524	\$ (5,450,654)	-3.40%
Spending					
Personal Services	\$ 65,996,444	\$ 72,855,212	\$ 76,349,834	\$ 3,494,622	4.80%
Other Expenses	\$ 74,512,736	\$ 79,104,407	\$ 78,633,690	\$ (470,717)	-0.60%
Total Spending	\$ 140,509,180	\$ 151,959,619	\$ 154,983,524	\$ 3,023,905	1.99%
Variance	\$ 6,049,607	\$ 8,474,559	\$ -		

FY09 Actual Collections



FY10 Means of Financing



**Louisiana State University
Health Care Services Division**

FY 2009-2010 Operating Budget

Earl K. Long Medical Center

Performance Indicators

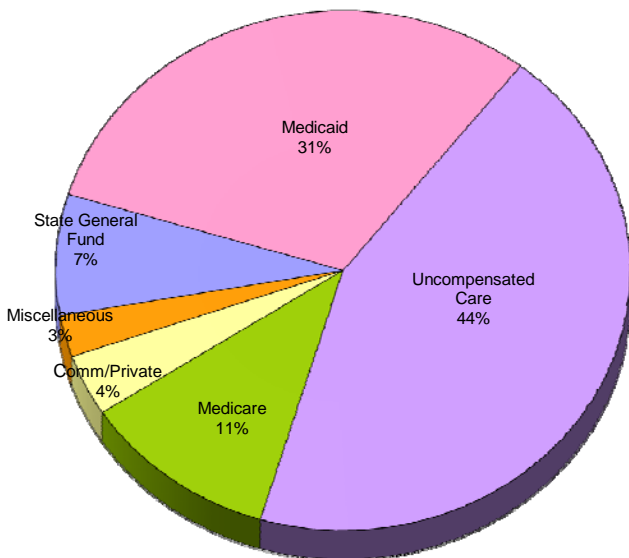
LaPas Performance Indicators	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected
Number of staffed beds	149	135	102	102
Average daily census	119	105	71	71
Emergency department visits	43,453	43,716	44,327	48,127
Average length of stay for psychiatric inpatients	15.5	16.3	N/A	
FTE staff per patient (per adjusted day)	N/A	N/A	7.0	7.0
Average length of stay for acute medical surgery	4.9	4.8	4.5	4.5
Cost per adjusted day	N/A	N/A	2,344.71	2387
Percentage of readmissions	6.8%	10.8%	9.6%	9.3%
Overall Patient Satisfaction	96%	88%	64%	61%
Willingness to Recommend Hospital	N/A	N/A	70%	66%
Percentage of diabetic patients with long term glycemic control	48%	46%	49%	50%
Percentage of women > = 40 years of age receiving mammogram in the past 2 years	34%	34%	64%	60%

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

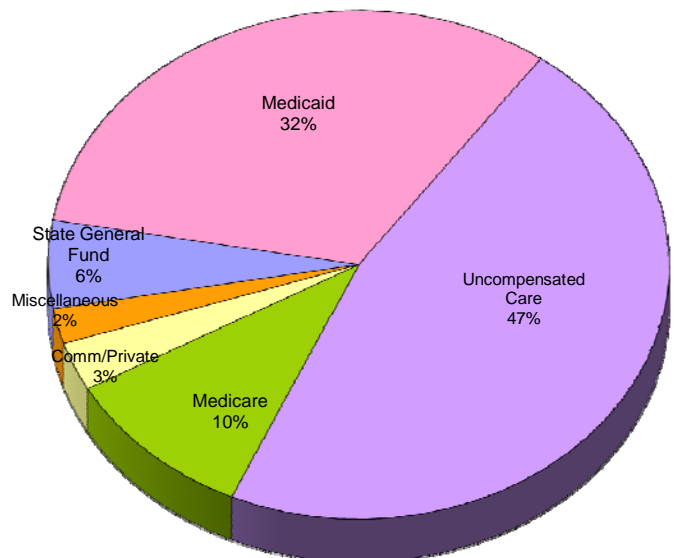
University Medical Center

	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Collections:					
State General Fund	\$ 6,328,061	\$ 6,787,131	\$ 6,915,376	\$ 128,245	1.89%
Interim Emergency Board				\$ -	
Overcollections Fund		\$ 1,802,328		\$ (1,802,328)	-100.00%
Medicaid Claims	38,673,074	36,784,753	39,959,586		
Medicaid Cost Reports		(1,505,743)			
Medicaid Poolings					
Total Medicaid	38,673,074	35,279,010	39,959,586	\$ 4,680,576	13.27%
Uncompensated Care	55,411,755	50,382,849	58,008,609	\$ 7,625,760	15.14%
Other Collections:					
Medicare	12,108,861	12,720,823	12,639,123		
Medicare Cost Reports	1,206,129	34,665			
Commercial/Private Pay	5,005,912	4,373,374	3,837,690		
Misc. Self Generated	2,822,475	2,966,448	2,788,398		
Restricted Funds					
Poolings					
Total Other Collections	21,143,377	20,095,310	19,265,211	\$ (830,099)	-4.13%
Total Collections	\$ 121,556,267	\$ 114,346,628	\$ 124,148,782	\$ 9,802,154	8.57%
Spending					
Personal Services	\$ 58,575,966	\$ 65,106,879	\$ 66,101,140	\$ 994,261	1.53%
Other Expenses	\$ 56,877,281	\$ 58,915,018	\$ 58,047,642	\$ (867,376)	-1.47%
Total Spending	\$ 115,453,247	\$ 124,021,897	\$ 124,148,782	\$ 126,885	0.10%
Variance	\$ 6,103,020	\$ (9,675,269)	\$ -		

FY09 Actual Collections



FY10 Means of Financing



**Louisiana State University
Health Care Services Division**

FY 2009-2010 Operating Budget

University Medical Center

Performance Indicators

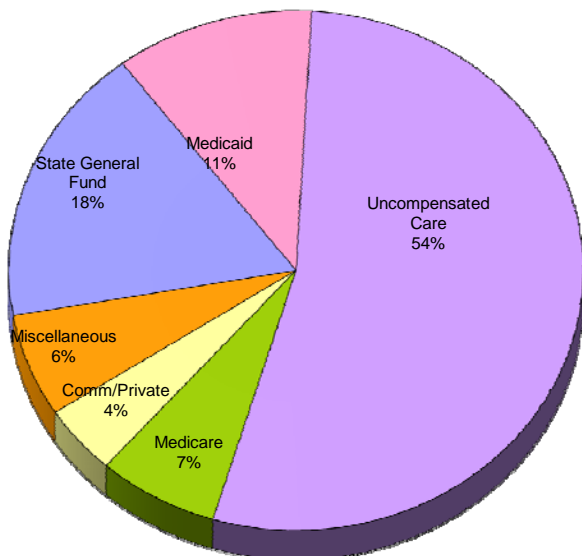
LaPas Performance Indicators	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected
Number of staffed beds	109	110	105	114
Average daily census	86	88	83	83
Emergency department visits	43,462	45,075	48,000	48,000
Average length of stay for psychiatric inpatients	16.4	15.3	14.6	15.0
FTE staff per patient (per adjusted day)	N/A	N/A	5.7	5.6
Average length of stay for acute medical surgery	4.6	5.0	4.6	5.0
Cost per adjusted day	N/A	N/A	1,738.61	1736
Percentage of readmissions	6.2%	8.8%	10.0%	10.0%
Overall Patient Satisfaction	93%	96%	69%	61%
Willingness to Recommend Hospital	N/A	N/A	71%	66%
Percentage of diabetic patients with long term glycemic control	57%	55%	56%	50%
Percentage of women > = 40 years of age receiving mammogram in the past 2 years	40%	35%	71%	60%

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

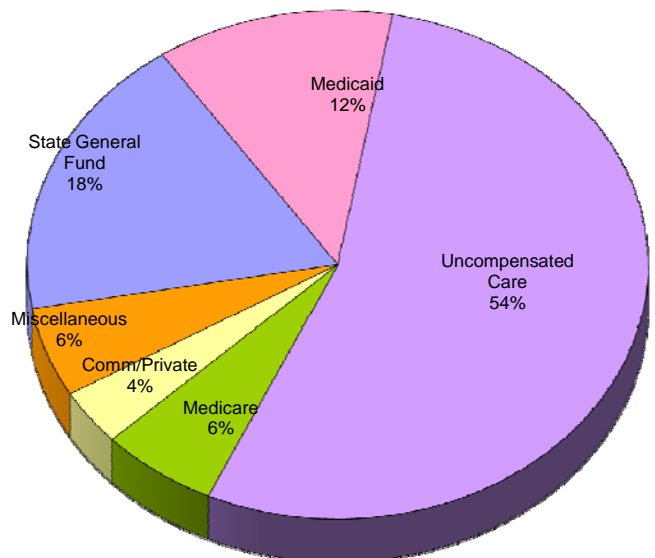
W. O. Moss Medical Center

	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Collections:					
State General Fund	\$ 6,448,161	\$ 5,895,391	\$ 8,522,414	\$ 2,627,023	44.56%
Interim Emergency Board				\$ -	
Overcollections Fund		\$ 1,225,089		\$ (1,225,089)	-100.00%
Medicaid Claims	9,191,489	6,636,670	5,795,364		
Medicaid Cost Reports		(2,065,109)			
Medicaid Poolings					
Total Medicaid	9,191,489	4,571,561	5,795,364	\$ 1,223,803	26.77%
Uncompensated Care	21,686,059	21,959,730	25,260,831	\$ 3,301,101	15.03%
Other Collections:					
Medicare	3,229,620	2,863,235	2,853,039		
Medicare Cost Reports	347,141	(81,909)			
Commercial/Private Pay	1,377,861	1,765,942	1,677,338		
Misc. Self Generated	2,876,216	2,615,360	2,667,378		
Restricted Funds					
Poolings					
Total Other Collections	7,830,838	7,162,627	7,197,755	\$ 35,128	0.49%
Total Collections	\$ 45,156,547	\$ 40,814,398	\$ 46,776,364	\$ 5,961,966	14.61%
Spending					
Personal Services	\$ 22,248,200	\$ 22,688,573	\$ 23,313,802	\$ 625,229	2.76%
Other Expenses	\$ 22,638,427	\$ 23,787,519	\$ 23,462,562	\$ (324,957)	-1.37%
Total Spending	\$ 44,886,627	\$ 46,476,093	\$ 46,776,364	\$ 300,271	0.65%
Variance	\$ 269,920	\$ (5,661,695)	\$ -		

FY09 Actual Collections



FY10 Means of Financing



**Louisiana State University
Health Care Services Division**

FY 2009-2010 Operating Budget

W. O. Moss Medical Center

Performance Indicators

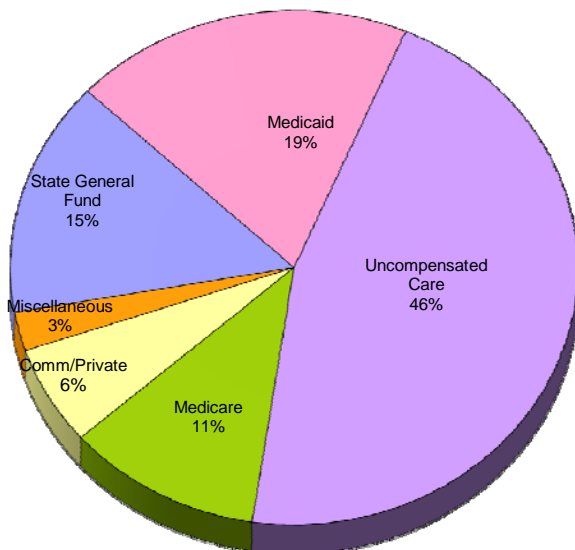
LaPas Performance Indicators	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected
Number of staffed beds	34	31	29	31
Average daily census	26	24	21	23
Emergency department visits	20,787	24,767	28,053	29,456
Average length of stay for psychiatric inpatients	10.4	11.1	11.2	11.0
FTE staff per patient (per adjusted day)	N/A	N/A	4.1	3.7
Average length of stay for acute medical surgery	4.4	4.4	4.3	4.3
Cost per adjusted day	N/A	N/A	1,292.57	1200
Percentage of readmissions	8.9%	9.0%	6.4%	10.1%
Overall Patient Satisfaction	93%	93%	70%	61%
Willingness to Recommend Hospital	N/A	N/A	78%	66%
Percentage of diabetic patients with long term glycemic control	58%	61%	56%	50%
Percentage of women > = 40 years of age receiving mammogram in the past 2 years	48%	47%	77%	60%

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

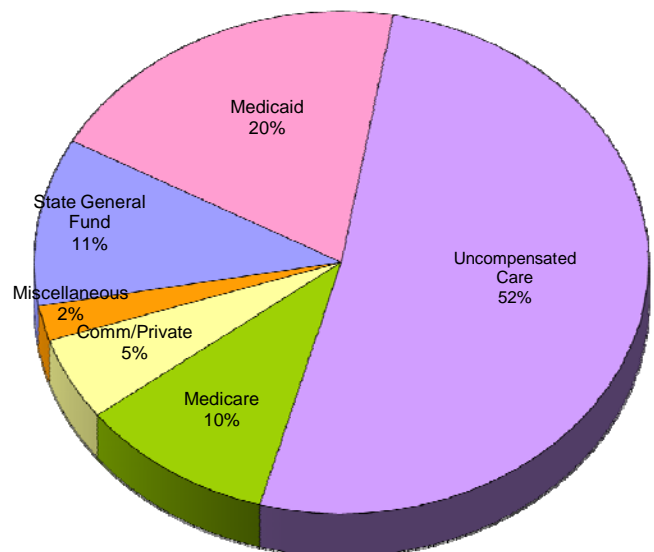
Lallie Kemp Medical Center

	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Collections:					
State General Fund	\$ 5,315,730	\$ 5,318,693	\$ 4,788,840	\$ (529,853)	-9.96%
Interim Emergency Board Overcollections Fund		\$ 662,347		\$ -	-100.00%
Medicaid Claims	8,453,042	7,756,265	8,719,926		
Medicaid Cost Reports		81,111			
Medicaid Poolings					
Total Medicaid	8,453,042	7,837,376	8,719,926	\$ 882,550	11.26%
Uncompensated Care	22,136,368	18,553,205	22,845,267	\$ 4,292,062	23.13%
Other Collections:					
Medicare	5,099,142	4,622,611	4,572,960		
Medicare Cost Reports	2,419,460	(115,321)			
Commercial/Private Pay	2,479,333	2,528,031	2,378,640		
Misc. Self Generated	943,448	988,014	1,004,129		
Restricted Funds Poolings					
Total Other Collections	10,941,384	8,023,335	7,955,729	\$ (67,606)	-0.84%
Total Collections	\$ 46,846,524	\$ 40,394,956	\$ 44,309,762	\$ 3,914,806	9.69%
Spending					
Personal Services	\$ 23,501,950	\$ 24,403,612	\$ 24,915,000	\$ 511,388	2.10%
Other Expenses	\$ 16,694,940	\$ 16,911,582	\$ 19,394,762	\$ 2,483,180	14.68%
Total Spending	\$ 40,196,890	\$ 41,315,194	\$ 44,309,762	\$ 2,994,568	7.25%
Variance	\$ 6,649,634	\$ (920,239)	\$ -		

FY09 Actual Collections



FY10 Means of Financing



**Louisiana State University
Health Care Services Division**

FY 2009-2010 Operating Budget

Lallie Kemp Medical Center

Performance Indicators

LaPas Performance Indicators	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected
Number of staffed beds	19	17	18	25
Average daily census	11	11	12	12
Emergency department visits	25,649	26,158	25,409	25,476
Average length of stay for psychiatric inpatients	N/A	N/A	N/A	N/A
FTE staff per patient (per adjusted day)	N/A	N/A	6.9	6.5
Average length of stay for acute medical surgery	3.8	3.9	3.9	3.9
Cost per adjusted day	N/A	N/A	2,030.74	2013
Percentage of readmissions	8.8%	11.5%	10.2%	8.9%
Overall Patient Satisfaction	93%	94%	84%	61%
Willingness to Recommend Hospital	N/A	N/A	77%	66%
Percentage of diabetic patients with long term glycemic control	59%	55%	54%	50%
Percentage of women > = 40 years of age receiving mammogram in the past 2 years	30%	43%	74%	60%

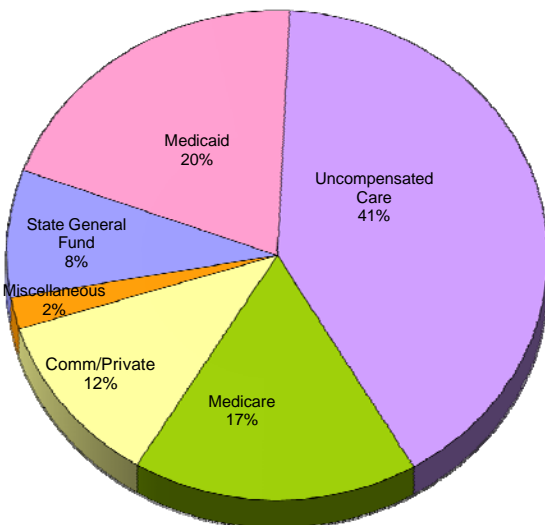
**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

Washington-St. Tammany Medical Center

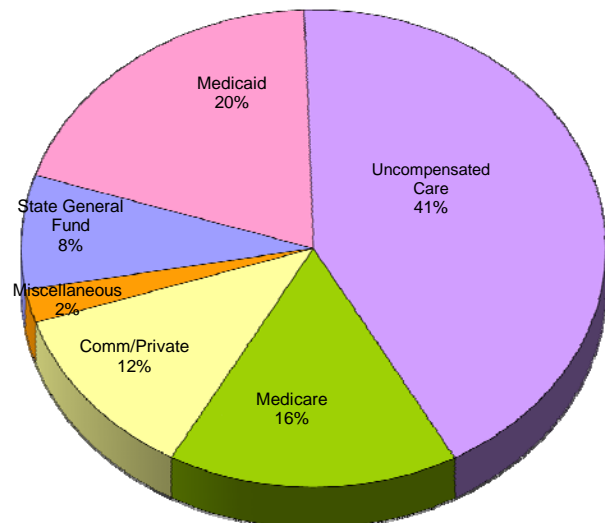
	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Collections:					
State General Fund	\$ 5,417,408	\$ 3,600,551	\$ 5,049,247	\$ 1,448,696	40.24%
Interim Emergency Board			\$ -	\$ -	
Overcollections Fund		\$ 861,752	\$ (861,752)	\$ (861,752)	-100.00%
Medicaid Claims	8,014,139	10,592,978	12,737,054		
Medicaid Cost Reports		63,198			
Medicaid Poolings					
Total Medicaid	8,014,139	10,656,176	12,737,054	\$ 2,080,878	19.53%
Uncompensated Care	20,207,675	21,643,976	27,725,037	\$ 6,081,061	28.10%
Other Collections:					
Medicare	8,526,884	8,977,349	10,496,066		
Medicare Cost Reports	(333,975)	68,862			
Commercial/Private Pay	6,365,393	6,082,942	7,770,450		
Misc. Self Generated	1,232,903	1,105,226	1,460,832		
Restricted Funds			218,260		
Poolings	1,459,748				
Total Other Collections	17,250,954	16,234,379	19,945,608	\$ 3,711,229	22.86%
Total Collections	\$ 50,890,176	\$ 52,996,835	\$ 65,456,946	\$ 12,460,112	23.51%
Spending					
Personal Services	\$ 29,015,622	\$ 32,109,167	\$ 36,691,748	\$ 4,582,581	14.27%
Other Expenses	\$ 21,874,554	\$ 25,150,323	\$ 28,765,198	\$ 3,614,875	14.37%
Total Spending	\$ 50,890,176	\$ 57,259,490	\$ 65,456,946	\$ 8,197,456	14.32%
Variance	\$ (0)	\$ (4,262,656)	\$ -		

* HCSD will be providing \$753,549 of restricted funds necessary to continue operation of BMC Distinct Part Psychiatric Unit. \$535,289 will be used to match federal UCC dollars for a total of \$1,652,636 in UCC funding and \$218,260 to fund non-allowable costs.

FY09 Actual Collections



FY10 Means of Financing



**Louisiana State University
Health Care Services Division**

FY 2009-2010 Operating Budget

Washington-St. Tammany Medical Center

Performance Indicators

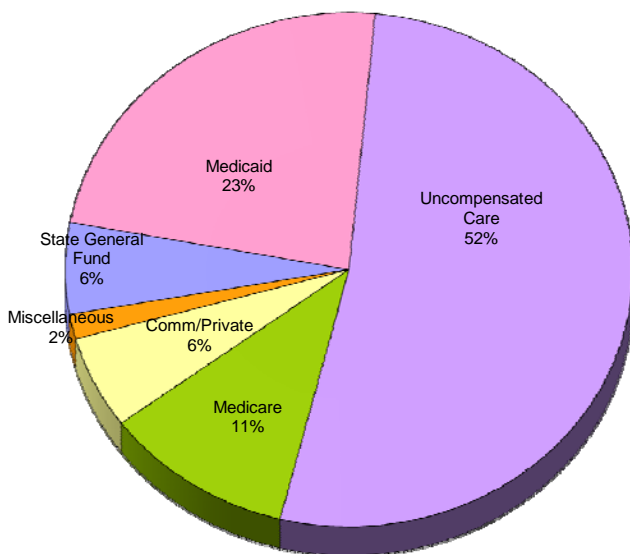
LaPas Performance Indicators	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected
Number of staffed beds	59	51	57	69
Average daily census	45	41	46	50
Emergency department visits	26,754	28,320	28,378	28,628
Average length of stay for psychiatric inpatients	13.1	11.3	12.6	12.6
FTE staff per patient (per adjusted day)	N/A	N/A	4.5	4.4
Average length of stay for acute medical surgery	4.9	4.6	4.8	4.8
Cost per adjusted day	N/A	N/A	1,314.99	1368
Percentage of readmissions	11.5%	11.6%	9.4%	13.0%
Overall Patient Satisfaction	93%	95%	61%	61%
Willingness to Recommend Hospital	N/A	N/A	65%	66%
Percentage of diabetic patients with long term glycemic control	60%	60%	58%	50%
Percentage of women > = 40 years of age receiving mammogram in the past 2 years	28%	18%	66%	60%

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

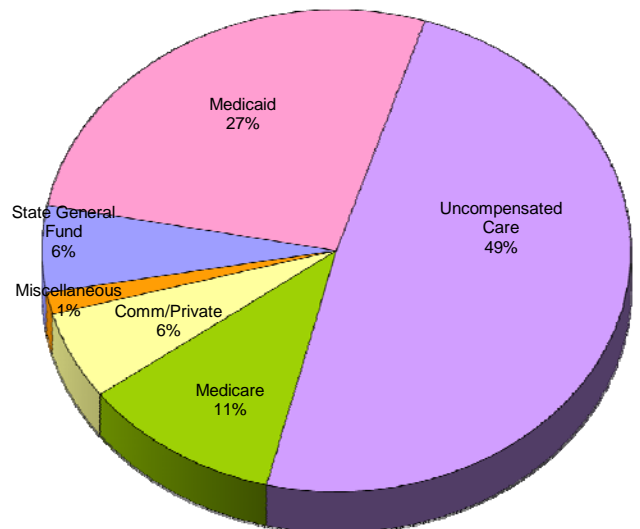
Leonard J. Chabert Medical Center

	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Collections:					
State General Fund	\$ 4,284,135	\$ 4,294,962	\$ 6,245,423	\$ 1,950,461	45.41%
Interim Emergency Board		\$ 1,258,774	\$ (1,258,774)	\$ (1,258,774)	-100.00%
Overcollections Fund		\$ 343,061	\$ (343,061)	\$ (343,061)	-100.00%
Medicaid Claims	33,635,539	24,860,818	28,984,454		
Medicaid Cost Reports		(602,673)			
Medicaid Poolings					
Total Medicaid	33,635,539	24,258,145	28,984,454	\$ 4,726,309	19.48%
Uncompensated Care	47,950,360	54,047,835	52,857,297	\$ (1,190,538)	-2.20%
Other Collections:					
Medicare	10,756,340	10,964,354	11,894,591		
Medicare Cost Reports	739,629	277,768			
Commercial/Private Pay	6,056,908	6,017,666	6,392,177		
Misc. Self Generated	1,468,159	1,615,440	1,578,117		
Restricted Funds					
Poolings					
Total Other Collections	19,021,036	18,875,229	19,864,885	\$ 989,656	5.24%
Total Collections	\$ 104,891,069	\$ 103,078,006	\$ 107,952,059	\$ 6,132,827	5.95%
Spending					
Personal Services	\$ 46,195,504	\$ 48,921,358	\$ 49,468,316	\$ 546,958	1.12%
Other Expenses	\$ 53,844,256	\$ 60,042,221	\$ 58,483,743	\$ (1,558,478)	-2.60%
Total Spending	\$ 100,039,760	\$ 108,963,579	\$ 107,952,059	\$ (1,011,520)	-0.93%
Variance	\$ 4,851,309	\$ (5,885,573)	\$ -		

FY09 Actual Collections



FY10 Means of Financing



**Louisiana State University
Health Care Services Division**

FY 2009-2010 Operating Budget

Leonard J. Chabert Medical Center

Performance Indicators

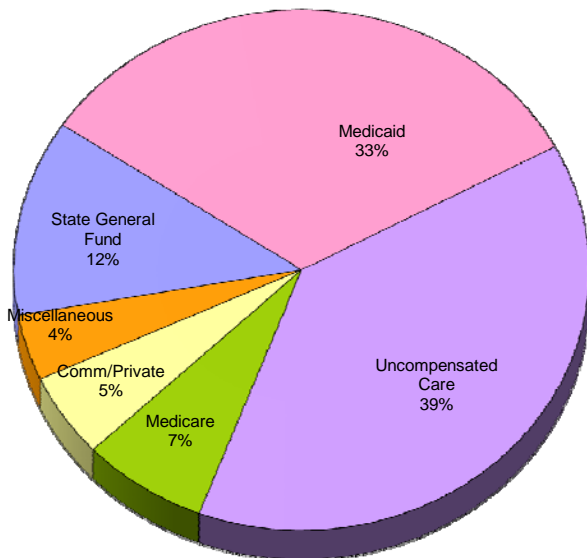
LaPas Performance Indicators	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected
Number of staffed beds	89	95	90	85
Average daily census	72	74	67	75
Emergency department visits	41,090	42,400	40,021	40,000
Average length of stay for psychiatric inpatients	9.7	10.0	8.5	8.5
FTE staff per patient (per adjusted day)	N/A	N/A	5.4	4.8
Average length of stay for acute medical surgery	4.5	4.6	4.3	4.5
Cost per adjusted day	N/A	N/A	1,717.10	1518
Percentage of readmissions	9.2%	11.6%	10.2%	11.3%
Overall Patient Satisfaction	95%	96%	77%	61%
Willingness to Recommend Hospital	N/A	N/A	82%	66%
Percentage of diabetic patients with long term glycemic control	53%	58%	57%	50%
Percentage of women > = 40 years of age receiving mammogram in the past 2 years	38%	39%	76%	60%

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

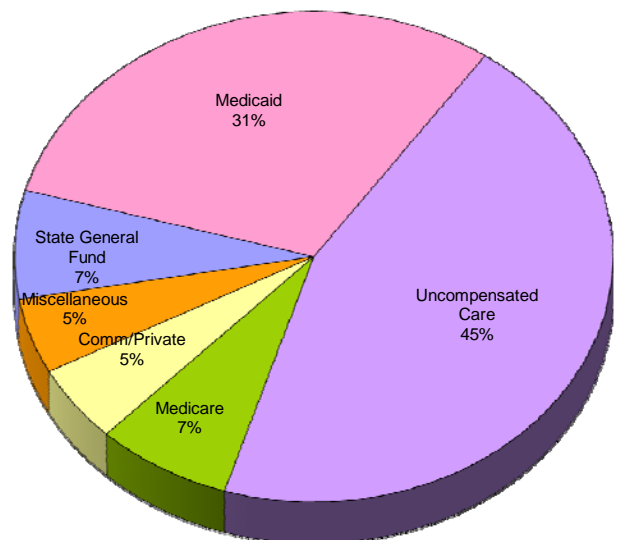
Interim LSU Public Hospital

	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Collections:					
State General Fund	\$ 48,742,790	\$ 49,068,376	\$ 26,547,454	\$ (22,520,922)	-45.90%
Interim Emergency Board Overcollections Fund		\$ 1,500,000		\$ -	-100.00%
Medicaid Claims	68,296,123	110,377,368	112,829,247		
Medicaid Cost Reports		25,490,199			
Medicaid Poolings					
Total Medicaid	68,296,123	135,867,567	112,829,247	\$ (23,038,320)	-16.96%
Uncompensated Care	154,441,137	160,408,856	167,651,293	\$ 7,242,437	4.51%
Other Collections:					
Medicare	21,176,381	26,466,615	27,296,002		
Medicare Cost Reports	6,177,037	2,952,093			
Commercial/Private Pay	23,168,904	21,742,551	18,938,041		
Misc. Self Generated	18,119,137	17,022,384	18,496,718		
Restricted Funds					
Poolings	510,483				
Total Other Collections	69,151,942	68,183,642	64,730,761	\$ (3,452,881)	-5.06%
Total Collections	\$ 340,631,992	\$ 415,028,442	\$ 371,758,755	\$ (43,269,687)	-10.43%
Spending					
Personal Services	\$ 135,478,037	\$ 174,469,034	\$ 182,464,177	\$ 7,995,144	4.58%
Other Expenses	\$ 205,153,955	\$ 214,710,890	\$ 189,294,578	\$ (25,416,312)	-11.84%
Total Spending	\$ 340,631,992	\$ 389,179,924	\$ 371,758,755	\$ (17,421,169)	-4.48%
Variance	\$ 0	\$ 25,848,518	\$ -		

FY09 Actual Collections



FY10 Means of Financing



**Louisiana State University
Health Care Services Division**

FY 2009-2010 Operating Budget

Interim LSU Public Hospital

Performance Indicators

LaPas Performance Indicators	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected
Number of staffed beds	93	211	244	254
Average daily census	77	175	207	217
Emergency department visits	44,488	52,915	63,508	66,683
Average length of stay for psychiatric inpatients	not available	11.4	10.8	10.0
FTE staff per patient (per adjusted day)	N/A	N/A	8.2	7.3
Average length of stay for acute medical surgery	6.3	5.3	5.3	5.0
Cost per adjusted day	N/A	N/A	3,412.35	3107
Percentage of readmissions	7.3%	8.9%	8.9%	10.3%
Overall Patient Satisfaction	95%	94%	70%	61%
Willingness to Recommend Hospital	N/A	N/A	68%	66%
Percentage of diabetic patients with long term glycemic control	47%	50%	47%	50%
Percentage of women > = 40 years of age receiving mammogram in the past 2 years	not available	not available	62%	60%

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

Central Office

	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Means of Financing	\$ 28,070,310	\$ 25,542,600	\$ 24,358,696	\$ (1,183,904)	-4.64%
Expenditures	\$ 23,663,972	\$ 21,731,829	\$ 24,358,696	\$ 2,626,867	12.09%
Variance	4,406,339	3,810,771	0	\$ (3,810,771)	

Central Office provides coordinated services for the hospitals and operates as support for the hospitals in the following areas:

Department	FY08 Actual	FY09 Actual	FY10 Recommended	\$ Change	% Change
Administration	3,620,520.94	3,786,460.33	3,964,051.00	177,590.67	4.69%
Statewide Adjustments	220,616.00	192,825.00	201,869.00	9,044.00	4.69%
Public Relations	289,472.60	320,141.36	335,156.00	15,014.64	4.69%
Planning & Program Development	121,209.83	120,355.56	126,000.00	5,644.44	4.69%
Program Research & Development	242,245.88	229,860.76	240,641.00	10,780.24	4.69%
Finance			0.00	0.00	#DIV/0!
Human Resources	1,258,852.49	1,277,435.75	1,337,349.00	59,913.25	4.69%
HCSD Budget	220,031.53	155,706.58	163,009.00	7,302.42	4.69%
HCSD Legal	435,674.54	625,004.14	654,317.00	29,312.86	4.69%
HCSD Reimbursements	617,698.30	698,035.26	730,774.00	32,738.74	4.69%
Employee Excellence Training			0.00	0.00	
Tobacco Control Initiative		766	801.00	35.45	4.63%
Disease Management	4,308,242	4,365,693	4,570,449.00	204,755.74	4.69%
New Development			0.00		
Peoplesoft	72,438	37,187	38,931.00	1,744	4.69%
Facility Management Department			0.00	0	
			0.00		
Central Office	11,407,002	11,809,471	12,363,347	553,876	4.69%
Allocated Costs					
Internal Audit	586,566		0.00	0	#DIV/0!
Compliance	627,435	661,708	692,743.00	31,035	4.69%
Managed Care	164,033	157,403	164,785.00	7,382	4.69%
Management Information Systems	872,636	1,039,633	1,088,393.00	48,760	4.69%
Radiology Information Systems		30	31.00	1	3.33%
Accounting Department	2,672,614	2,924,873	3,062,052.00	137,179	4.69%
Purchasing	1,388,596	974,260	1,019,954.00	45,694	4.69%
Patient Accounting Financial Ser.	1,422,906	1,608,882	1,684,340.00	75,458	4.69%
Patient Accounting CBO	1,069,303	2,226,451	62,811.00	(2,163,640)	-97.18%
Patient Accounting CBO - offsite	3,452,787	329,117	(329,117)	(329,117)	-100.00%
Patient Accounting CBO-MCL			1,873,787	1,873,787	#DIV/0!
Patient Accounting CBO-EKL			548,631	548,631	#DIV/0!
Patient Accounting CBO-WOM			130,827	130,827	
Patient Accounting CBO-UMC			590,834	590,834	
Patient Accounting CBO-LK			143,488	143,488	
Patient Accounting CBO-BMC			341,839	341,839	
Patient Accounting CBO-LJC			590,834	590,834	
HCSD Reimbursements			0.00	0	#DIV/0!
Third Party Liability	93		0.00	0	#DIV/0!
HCSD Expenditures for EKL			0.00	0	
HCSD Expenditures for HPL			0.00	0	
HCSD Expenditures for UMC			0.00	0	
HCSD Expenditures for WOM			0.00	0	
HCSD Expenditures for LK			0.00	0	
HCSD Expenditures for WST			0.00	0	
HCSD Expenditures for LJC			0.00	0	
HCSD Expenditures for MCL			0.00	0	
Paid on Behalf of Hospitals	12,256,969	9,922,358	11,995,349	2,072,991	20.89%
Total Central Expenses	23,663,972	21,731,829	24,358,696	2,626,867	12.09%

* The expenses paid on behalf of the hospitals for FY07-08 and FY08-09 increased due to full implementation of the central business office concept..

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

**RESTRICTED FUNDS
INCEPTION-TO-DATE**

Initial Deposit from FY96-97	\$ 16,232,122
Interest Earned FY98	\$ 278,487
Deposits from FY97-98	\$ 48,222,558
Interest Earned FY 99	\$ 2,228,681
Deposits from FY98-99	\$ 23,416,804
Interest Earned FY00	\$ 2,312,064
Deposits from FY99-00	\$ 25,944,383
Interest Earned FY00-01	\$ 2,165,366
Deposits from FY00-01	\$ 857,877
Deposits from FY01-02	\$ 1,898,205
Regions Bank Interest FY01	\$ 730,878
Regions Bank Interest FY02	\$ 2,211,718
Return from OFPC - Diebert Project	\$ 2,721,695
Transfer WST Phys Part B from LSUHSC-NO	\$ 958,130
Regions Bank Interest FY03	\$ 1,118,476
FY 04 Deposits from FY 02-03 (Surplus Transferred to Restricted Funds)	\$ 428,185
Prior Period Audut Adjustments (Balance from Inventory Corrections form FY 01 and FY 02 Transferred to Restricted Funds)	\$ 1,399,022
Regions Bank Interest FY 04	\$ 900,178
Transfer to EACMC for Payroll Accrual	\$ (869,026)
FY 05 Deposits from FY 03-04 (Surplus Transferred to Restricted Funds)	\$ 12,441,620
Regions Bank Interest FY 05	\$ 2,080,919
Rebates and Refunds FY 05	\$ 227,172
FY06 Deposits from FY04-05 (Surplus Transferred to Restricted Funds)	\$ 36,893,214
Regions Bank Interest FY06	\$ 5,825,720
Rebates and Refunds FY 06	\$ 183,873
FY07 Deposits from FY05-06 (Surplus Transferred to Restricted Funds)	\$ 27,873,237
Chase and Regions Bank Interest FY 07	\$ 7,037,784
Rebates and Refunds FY 07	\$ 383,823
Rebates and Refunds FY 08	\$ 622,484
FY08 Deposits from FY06-07 (Surplus Transferred to Restricted Funds)	\$ 29,913,937
Interest FY 09 (Bank Interest Budgeted to Fund 111)	\$ 3,785
Rebates and Refunds FY 09 (Includes voided checks)	\$ 904,279
FY09 Deposits from FY07-08 (Surplus Transferred to Restricted Funds)	\$ 28,329,830
Total Revenues	\$ 285,877,481
Transfer to Operating Funds	\$ (14,031,529)
Amount Frozen and Transferred to DHH in FY 03	\$ (14,400,000)
Amount Returned from DHH in FY 04	\$ 14,400,000
Transfer to HPL Fund 113 Balance	\$ (1,215,672)
Total Adjustments	\$ (15,247,201)
Available Project Funds	\$ 270,630,281
Total Expenditures To Date	\$ 171,768,999
Pending Obligations (Encumbrances, Services in Process)	\$ -
Total Expended and Obligated @ 6/30/09	\$ 171,768,999
Working Capital & Restricted Projects Balance @ 6/30/09	\$ 98,861,282

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

Restricted Projects

Working Capital and Restricted Projects Balance @ 6/30/09	\$ 98,861,282
FY 09 Fund 111 Carryover	\$ 11,728,417
Total Anticipated FY 10 Fund 113	\$ 110,589,699
FY10 Additional Projects - Fund 115	\$ 3,891,188
Total Anticipated FY10 Fund 113 and Fund 115	\$ 114,480,887

Description	Total to be Budgeted in FY 10
EKLMC - Prior Years Surplus	\$ 6,211,839
EKLMC - New Hospital Planning	\$ 8,022,131
EKLMC - Supply Warehouse	\$ 491,000
EKLMC - LSU Vista Surgical Hospital	\$ 1,414,932
EKLMC - FY 10 Intellidot	\$ 301,311
LAKMC - Prior Years Surplus	\$ 1,044,628
LAKMC - FY 10 intellidot	\$ 129,977
LJCMC - Prior Years Surplus	\$ 283,602
LJCMC - FY 10 Intellidot	\$ 206,836
MCLNO - Prior Years Surplus	\$ 6,216,879
MCLNO - New Hospital Planning	\$ 8,181
MCLNO - FY 10 Intellidot	\$ 475,789
UMCLA - Prior Years Surplus	\$ 1,956,366
UMCLA - FY 10 Intellidot	\$ 283,390
WOMMC - Prior Years Surplus	\$ 719,245
WOMMC- FY 10 Intellidot	\$ 156,480
WSTMC - Prior Years Surplus	\$ -
WSTMC- FY 10 Intellidot	\$ 185,155
HCSDA - Prior Years Surplus	\$ 1,523,738
HCSDA - Working Capital	\$ 25,458,220
HCSDA - Disease Management	\$ 5,000,000
HCSDA - Electronic Medical Record	\$ 14,000,000
HCSDA - Prior Years 3rd Party Adjustment	\$ 36,500,000
Total Fund 113 Projects	\$ 110,589,699
EKLMC - FY 10 HRSA Title III	\$ 393,633.03
EKLMC - FY 10 Bioterrorism Round 7	\$ 71,486.82
EKLMC-FY 10 Early Intervention Clinic	\$ 22,872.00
EKLMC-FY 10 CAP Foundation	\$ 3,865.55
HCSDA-Amerinet	\$ 20,000.00
FY 10 SPNS 7/1/09-8/31/09	\$ 89,796.49
FY 10 SPNS 9/1/09-6/30/10	\$ 359,257.00
HCSDA-FY 10 RIS/PACS	\$ 255,584.32
HCSDA-FY 10 Acquisition of CIT Equipment	\$ 244,530.00
LAKMC - FY 10 Bioterrorism Round 7	\$ 10,061.56
LJCMC - FY 10 Bioterrorism Round 7	\$ 35,320.70
MCLNO - FY 10 Bioterrorism Round 7	\$ 25,933.80
MCLNO-FY 10 LPHI Primary Care	\$ 1,413,171.00
MCLNO LPHI Carryover	\$ 433,418.70
UMCLA - FY 10 Bioterrorism Round 7	\$ 40,289.60
UMCLA-FY 10 AED	\$ 5,345.89
WOMMC-FY 10 Bioterrorism Round 7	\$ 32,189.54
WOMMC-FY 10 HRSA Title III	\$ 399,931.48
WSTMC - FY 10 Bioterrorism Round 7	\$ 34,500.40
Total Fund 115 Projects	\$ 3,891,188

Fund 116

Individual projects can be established in this fund annually for each hospital to account for any disaster related activities. These projects are then closed to the operating budget at year end leaving a project balance of \$0.

Grand Total	\$ 114,480,887
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**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

AREAS OF FINANCIAL CONCERN

Reimbursement for Nonreimbursed Costs

This issue deals with reimbursement for unavoidable costs excluded from the hospital payment methodology. As a hospital-based program, the UCC component of Medicaid does not permit reimbursement for certain costs in our hospitals. The two largest categories of unreimbursed cost are: (1) professional fees (physicians and CRNA's) for direct care of indigent patients, and (2) self-administered take-home outpatient drugs and related pharmacy costs. Services delivered as part of a Graduate Medical Education (GME) program, such as by residents, are reimbursable under UCC, but direct services to the uninsured by faculty or other physicians are not considered "hospital services" and are not allowable.

The existence of "non-reimbursed" costs undermines the concept that the payment methodology measures up to the standard of being "cost-based." On a full accrual basis, hospital operations will not break even; only on a cash basis is this possible with the current financial structure. Solvency will be impossible to achieve if such major costs as physicians and outpatient medications remain unfunded. It is essential that an ongoing, stable method of financing for un-reimbursed costs be developed.

DSH Audit Rule on Using Patient Specific Data

The rules regarding UCC reimbursement will change for FY2011. The new rule establishes a cap on the total a hospital can be reimbursed for uncompensated care based on specific indigent and self pay patient data. The estimated impact to HCSD could be a reduction of \$106.5 million in UCC funding.

Medicaid Cap

At present, appropriation for Medicaid services is explicitly capped for the LSU hospitals but not for any other public or private facilities. This is an artificial cap since those who are Medicaid eligible are entitled to necessary medical services from any enrolled Medicaid provider. The imposition of an arbitrary cap imposes a potential revenue problem for the LSU Hospital system; an issue which can require budget adjustments during the year. With the reductions in state Medicaid funds, this cap may become a more significant issue in the event there are payer mix changes during the year.

**Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget**

AREAS OF FINANCIAL CONCERN

Medicaid and UCC Liability

The LSUHSC-HCSD annual financial statements have been consistently prepared with full disclosure of all estimated DSH and Medicaid receivables and payables. This increasing liability has been reported on HCSD financial statements since FY98, when the hospital system was placed under management of the LSU Board of Supervisors. These financial statements have been periodically reviewed by the State Legislative Auditor. The current liability is reflected in detail in supporting documents. The HCSD, in working with DHH and the Legislative Auditor, has changed the methodology of estimating UCC to more accurately reflect the reimbursable cost for this program. The issue of prior year liabilities still exists and therefore the HCSD and DHH will continue to address this issue.

Historically, HCSD and DHH have not settled any cost reports and/or UCC receivables or payables on a routine basis. These are only settled as funds are identified and agreed upon by HCSD, DHH and DOA. DHH has now proposed to change this process and intends to require "interim settlements" annually once the cost reports are filed. This change will not eliminate the need for a final settlement once the cost reports have been audited and are considered "final". However, this interim settlement should significantly reduce the impact of the final settlement due.

The interim settlement identified above will affect the cash available to HCSD during the fiscal year to finance expenditures and may eventually eliminate reserves currently held in restricted funds for the purposes of recapitalizing the system.

Physical Plant Needs

The Division has long term capital equipment and physical plants needs which have gone unaddressed. The devastation and dislocation inflicted by Katrina and Rita have significantly amplified what was already a significant problem. Plans to construct a teaching hospital in collaboration with the V.A. are under consideration and refinement. Plans are also underway to address the physical plant needs at Earl K. Long Medical Center. The loss at this time of MCLNO as the major teaching and tertiary care hub of the HCSD system necessitates a close look at both the service and supporting plant needs of all hospitals, several of which now meet system subspecialty referral needs that previously were handled in New Orleans.

Louisiana State University
Health Care Services Division
FY 2009-2010 Operating Budget
AREAS OF FINANCIAL CONCERN

Information Technology

HCSD is committed, as part of the LSU Health System, to the planning and expansion of the Electronic Health Record (EHR) to replace paper systems in support of clinical and administrative functions to optimize quality, safety and cost-efficiency. Sophisticated information system and management technologies are increasingly critical foundations for health care organizations required to administer care consistent with industry standards and regulatory requirements. As such, HCSD is strongly engaged with LSU Health System in information system planning to acquire and implement a statewide EHR over the next 3-5 years. Once implemented, the EHR will enhance the coordinated delivery of health services across the state's public hospitals and provide measurable value for these investments.

HCSD is continuing efforts, despite the budgetary challenges, to upgrade its information technology infrastructure. HCSD recognizes information systems and management technologies as cornerstones of achieving essential and ongoing cost-efficiencies for increasing access to and delivering the highest quality of care in our effort to continuously improve the health of Louisiana citizens. Anticipated requests for funding in the information technology area will be driven by these objectives.

Capital Equipment Needs

The HCSD's capital equipment needs have not been adequately addressed in the last ten years. The Division's capital equipment needs as well as the physical plant deficiencies are in large part the product of the current and historical reimbursement models. The current cost reimbursement model which does not provide full cost reimbursement, as discussed above, requires the HCSD to utilize depreciation expense to fund current operations rather than to replace equipment and facilities. This fosters an accumulating capital equipment problem that will only become worse as the facilities and equipment age.

EKL and OLOL Project

LSU is in continuing discussions with Our Lady of the Lake Regional Medical Center regarding a Collaboration that would alter both the health care delivery system and Graduate Medical Education in the Baton Rouge area. The vision for the Collaboration would involve a shift of GME programs and inpatient care at Earl K. Long Medical Center to OLOL, the closure of the existing EKL building, and the enhancement of clinic services that would remain the responsibility of LSU Health Services. The addition of new GME programs at OLOL is also expected. A Memorandum of Understanding between LSU and OLOL has been signed and a Cooperative Endeavor Agreement is in development. Analysis of the financial basis of the Collaborative is ongoing.