



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0509 - Revise community benefit laws for nonprofit hospitals (Kerns, Scot)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$72,901	\$70,322	\$71,377	\$72,448
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$72,901)</u>	<u>(\$70,322)</u>	<u>(\$71,377)</u>	<u>(\$72,448)</u>

Description of fiscal impact: HB 509 revises laws relating to hospital charity care and community benefit requirements and authorizes the Department of Public Health and Human Services (DPHHS) (department) to establish charity care and community benefit reporting requirements and rulemaking authority.

FISCAL ANALYSIS

Assumptions:


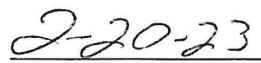
- Montana currently has 49 critical access hospitals and 16 larger hospitals. HB 509 would require these facilities to have charity care and community benefit policies in writing and available to the public.
- DPHHS would adopt rules to implement the charity care and community benefit requirements including reporting requirements and penalties for non-compliance.
- The increased workload associated with reviewing the current and future community benefit plans and subsequent reports, will require 1.0 FTE for a compliance specialist with duties of reviewing financial statements, procedures and writing reports.
- Personal services for this FTE is \$68,059 in FY 2024 and \$68,274 in FY 2025 and assumes a 1.5% inflation

factor for FY 2026 and FY 2027. New office equipment for the employee is \$2,800 in FY 2024. Operating costs associated with the FTE is estimated at 3% of personal service costs.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$68,059	\$68,274	\$69,298	\$70,338
Operating Expenses	\$4,842	\$2,048	\$2,079	\$2,110
TOTAL Expenditures	<u>\$72,901</u>	<u>\$70,322</u>	<u>\$71,377</u>	<u>\$72,448</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$72,901	\$70,322	\$71,377	\$72,448
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$72,901</u>	<u>\$70,322</u>	<u>\$71,377</u>	<u>\$72,448</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$72,901)	(\$70,322)	(\$71,377)	(\$72,448)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. HB 509 is very similar to HB 45 and should both bills pass, there would likely need coordination.

Sponsor's Initials	Date	 Budget Director's Initials	 Date
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