

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2201 - SB 2303

February 25, 2018

SUMMARY OF BILL: Requires Davidson County to establish and maintain a public, safety net hospital that offers inpatient and outpatient services. Requires, no later than September 1 of each year, Davidson County to report to the Health Committee of the House of Representatives and the Senate Health and Welfare Committee the amount of money received from the public hospital supplemental payment (PHSP) pool, the certified public expenditure (CPE) pool, and any other uncompensated care pool related to services provided by the county's public hospital for the previous fiscal year.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – It is assumed Davidson County will continue to fully fund General Hospital in future years. It is unknown how much the operating budget will continue to increase; therefore, an exact fiscal impact cannot be determined for future years. The FY17-18 operating subsidies from Metro Davidson County equaled \$52,141,000.

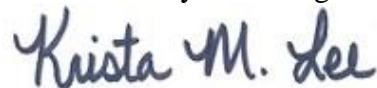
Assumptions:

- Nashville General Hospital (NGH), located in Davidson County, is one of the 325 safety net hospitals in the United States. For this analysis it is assumed Metro Davidson County (Metro) would keep NGH open by providing subsidies.
- In FY16-17, Metro provided NGH with \$50,500,000 (\$34,500,000 base subsidy + 16,000,000 supplemental subsidies) in subsidies.
- In FY17-18, Metro provided NGH with \$52,141,000 (\$35,000,000 base subsidy + \$17,141,000 supplemental subsidies) in subsidies.
- The total increase in local expenditures is estimated to be \$55,704,680 in FY18-19.
- Each year supplemental subsidies are increasing to keep NGH operational. It is unknown how much NGH's operating budget will continue to increase which will then increase the supplemental subsidies required by Metro.
- To the extent Metro decides to establish a new public, safety net hospital in lieu of providing subsidies to NGH, there would be permissive local expenditures exceeding \$55,704,680.
- It is assumed state and federal safety net funding in excess of \$15,000,000 will continue to be provided.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive style with a clear, legible font.

Krista M. Lee, Executive Director

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