

# Louisiana

## UNIFORM APPLICATION FY 2018 BEHAVIORAL HEALTH REPORT COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT

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Center for Mental Health Services  
Division of State and Community Systems Development

# I: State Information

## State Information

### State DUNS Number

Number 809927064

Expiration Date

### I. State Agency to be the Grantee for the Block Grant

Agency Name Louisiana Department of Health

Organizational Unit Office of Behavioral Health

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City Baton Rouge

Zip Code 70821

### II. Contact Person for the Grantee of the Block Grant

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### III. State Expenditure Period (Most recent State expenditure period that is closed out)

From 7/1/2016

To 6/30/2017

### IV. Date Submitted

**NOTE: This field will be automatically populated when the application is submitted.**

Submission Date 12/1/2017 4:09:36 PM

Revision Date

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### Footnotes:

## II: Annual Report

### MHBG Table 1 Priority Area and Annual Performance Indicators - Progress Report

**Priority #:** 1

**Priority Area:** Behavioral Health System Transformation

**Priority Type:** SAT, MHS

**Population(s):** SMI, SED, PWWDC, IVDUs, HIV EIS, TB

**Goal of the priority area:**

Monitor and influence access to and capacity of the state-supported behavioral health system.

**Strategies to attain the goal:**

Continue to implement a Medicaid managed care structure to manage all behavioral health services and effectively leverage federal dollars through a CMS 1915b waiver. The program is called the Louisiana Behavioral Health Partnership (LBHP) and is managed by Managed Care Organizations (MCOs).

Continue to implement a Coordinated System of Care (CSoc) model that better coordinates and manages the behavioral health system for multi-agency involved children and youth through a CMS 1915c waiver.

#### Annual Performance Indicators to measure goal success

**Indicator #:** 1

**Indicator:** Continue to refine and support the Louisiana Behavioral Health Partnership (LBHP) through the Managed Care Organizations (MCOs). The MCOs enroll and reimburse for services for an increased number of mental health recipients in SFY 16 and SFY 17 as compared to those served in SFY 15.

**Baseline Measurement:** The number of persons receiving mental health services through the Louisiana Behavioral Health Partnership (LBHP) in SFY 15.

**First-year target/outcome measurement:** The number of persons receiving mental health services through the Louisiana Behavioral Health Partnership (LBHP) in SFY 16.

**Second-year target/outcome measurement:** The number of persons receiving mental health services through the Louisiana Behavioral Health Partnership (LBHP) in SFY 17.

**New Second-year target/outcome measurement(if needed):** The number of unduplicated persons with a mental health diagnosis receiving publicly-funded mental health services in SFY 17.

**Data Source:**

This data will be collected from electronic health records (EHR).

**New Data Source(if needed):**

This data will be collected from LGE electronic health records (EHR) and Medicaid data warehouse.

**Description of Data:**

The unduplicated number of persons diagnosed with a mental health disorder receiving services through the Louisiana Behavioral Health Partnership (LBHP) during the SFY (July 1 – June 30).

**New Description of Data(if needed)**

The number of unduplicated persons with a mental health diagnosis receiving publicly-funded mental health services from the LGEs or other Medicaid managed care providers during the SFY (July 1 – June 30), excluding emergency department and inpatient services. The number is unduplicated by unique demographic identifiers (i.e., SSN, DOB etc.).

**Data issues/caveats that affect outcome measures:**

As a result of the steep implementation schedule, the State has experienced temporary disturbances in data collection, particularly in its

outcomes measurement systems. The State has proactively initiated corrective action steps with EHR vendors. This will allow OBH to better analyze data of interest to use in planning efforts.

**New Data issues/caveats that affect outcome measures:**

The state does not currently receive data from two out of ten LGEs. While the state continues to work with LGEs who are not reporting to the state data warehouse, client/treatment counts are not available for two regions if the person is not receiving services through Medicaid funding. The state has proactively issued Corrective Action Plans to non-reporting entities. In addition, the plan to increase or maintain the number of persons served may depend on budget climates.

## Report of Progress Toward Goal Attainment

First Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How first year target was achieved (optional):**

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How second year target was achieved (optional):**

**Indicator #:** 2

**Indicator:** Continue to refine and support the Louisiana Behavioral Health Partnership (LBHP) through the MCOs. The MCOs enroll and reimburse for services for an increased or maintained number of substance use disorder recipients in SFY 16 and SFY 17 as compared to those served in SFY 15.

**Baseline Measurement:** The number of persons receiving substance use disorder services through the Louisiana Behavioral Health Partnership (LBHP) in SFY 15.

**First-year target/outcome measurement:** The number of persons receiving substance use disorder services through the Louisiana Behavioral Health Partnership (LBHP) in SFY 16.

**Second-year target/outcome measurement:** The number of persons receiving substance use disorder services through the Louisiana Behavioral Health Partnership (LBHP) in SFY 17.

**New Second-year target/outcome measurement(if needed):** The number percentage of unduplicated persons with a substance use disorder diagnosis receiving publicly-funded SUD services in SFY 17.

**Data Source:**

This data will be collected from electronic health records (EHR).

**New Data Source(if needed):**

This data will be collected from LGE electronic health records (EHR) and Medicaid data warehouse.

**Description of Data:**

The unduplicated number of persons diagnosed with a substance use disorder receiving services through the Louisiana Behavioral Health Partnership (LBHP) during the SFY (July 1 – June 30).

**New Description of Data:(if needed)**

The number of unduplicated persons with an SUD diagnosis receiving publicly-funded substance use disorder services from the LGEs or other Medicaid managed care providers during the SFY (July 1 – June 30), excluding emergency department and inpatient services. The number is unduplicated by unique demographic identifiers (i.e., SSN, DOB etc.).

**Data issues/caveats that affect outcome measures:**

As a result of the steep implementation schedule, the State has experienced temporary disturbances in data collection, particularly in its outcomes measurement systems. The State has proactively initiated corrective action steps with EHR vendors. This will allow OBH to better analyze data of interest to use in planning efforts.

**New Data issues/caveats that affect outcome measures:**

The state does not currently receive data from two out of ten LGEs. While the state continues to work with LGEs who are not reporting to the state data warehouse, client/treatment counts are not available for two regions if the person is not receiving services through Medicaid funding. The state has proactively issued Corrective Action Plans to non-reporting entities. In addition, the plan to increase or maintain the number of persons served may depend on budget climates.

## Report of Progress Toward Goal Attainment

First Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How first year target was achieved (optional):**

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How second year target was achieved (optional):**

**Indicator #:** 3

**Indicator:** Ensure the maintenance of service delivery related to SAPT and CMHS Block Grant populations of focus. There is an increased number of persons served in each of the SAPT and CMHS Block Grant populations of focus during SFY 16 and SFY 17 as compared to those served in SFY 15.

**Baseline Measurement:** The number of persons served in each of the SAPT and CMHS Block Grant populations of focus during SFY 15.

**First-year target/outcome measurement:** The number of persons served in each of the SAPT and CMHS Block Grant populations of focus during SFY 16.

**Second-year target/outcome measurement:** The number of persons served in each of the SAPT and CMHS Block Grant populations of focus during SFY 17.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from electronic health records (EHR).

**New Data Source(if needed):**

This data will be collected from LGE electronic health records (EHR).

**Description of Data:**

The unduplicated number of persons with a substance use diagnosis, the unduplicated number of persons with a Serious Mental Illness (SMI), and the unduplicated number of persons with a Serious Emotional Disturbance (SED) receiving services through the management of the Statewide Management Organization (SMO) during the SFY (July 1 – June 30).

**New Description of Data:(if needed)**

The unduplicated number of persons with a substance use diagnosis, the unduplicated number of persons with a Serious Mental Illness (SMI), and the unduplicated number of persons with a Serious Emotional Disturbance (SED) receiving behavioral health-related services through an LGE during the SFY (July 1 – June 30).

**Data issues/caveats that affect outcome measures:**

As a result of the steep implementation schedule, the State has experienced temporary disturbances in data collection, particularly in its outcomes measurement systems. The State has proactively initiated corrective action steps with EHR vendors. This will allow OBH to better analyze data of interest to use in planning efforts.

**New Data issues/caveats that affect outcome measures:**

The state does not currently receive data from two out of ten LGEs. While the state continues to work with LGEs who are not reporting to the state data warehouse, client/treatment counts are not available for two regions if the person is not receiving services through Medicaid funding. The state has proactively issued Corrective Action Plans to non-reporting entities.

## Report of Progress Toward Goal Attainment

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

### Reason why target was not achieved, and changes proposed to meet target:

Persons Served for Fiscal Year 2016 were under reported due to data collection challenges experienced by two of our ten Local Governing Entities (LGEs) upon adopting their own data systems/Electronic Health Records (EHR). Due to these challenges, the two LGEs failed to submit client level data to the Office of Behavioral Health (OBH) data warehouse. OBH is collaborating with these LGEs and their EHR vendors to resolve the data submission concerns. The two missing LGEs represent approximately 15% of persons served statewide.

### How first year target was achieved (optional):

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

### Reason why target was not achieved, and changes proposed to meet target:

### How second year target was achieved (optional):

Indicator #: 4

Indicator: Maintain statewide Coordinated System of Care (CSoC) operations in the nine regions. The MCO will serve up to 2400 children/youth statewide simultaneously during SFY 16.

Baseline Measurement: The number of children enrolled in the CSoC and receiving CSoC waiver services at the end of SFY 15.

First-year target/outcome measurement: The number of children enrolled in the CSoC and receiving CSoC waiver services at the end of SFY 16.

Second-year target/outcome measurement: The number of children enrolled in the CSoC and receiving CSoC waiver services at the end of SFY 17.

New Second-year target/outcome measurement(if needed): The number of children receiving CSoC services at the end of SFY 17.

### Data Source:

This data will be collected from electronic health records (EHR).

### New Data Source(if needed):

This data will be collected from the Medicaid data warehouse.

### Description of Data:

The number of children who were enrolled in the CSoC and received CSoC waiver services by the end of the SFY (as of June 30).

### New Description of Data:(if needed)

The number of children who were enrolled in the CSoC and received CSoC services by the end of the SFY (as of June 30).

### Data issues/caveats that affect outcome measures:

The enrollment of 2,400 children and youth statewide is based on the phase-in schedule as initially laid out by Louisiana, but the state experienced delays in statewide expansion while waiting for CMS to approve waiver amendments adding additional parishes to the program. Full statewide implementation has been in place since November 2014. There has been a steady increase in the number of children/youth enrolled in CSoC since this final expansion occurred.

### New Data issues/caveats that affect outcome measures:

## Report of Progress Toward Goal Attainment

First Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

### Reason why target was not achieved, and changes proposed to meet target:

### How first year target was achieved (optional):

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

### Reason why target was not achieved, and changes proposed to meet target:

**How second year target was achieved (optional):**

**Priority #:**

2

**Priority Area:**

Utilization of Inpatient Levels of Care

**Priority Type:**

MHS

**Population(s):**

SMI, SED

**Goal of the priority area:**

Monitor and influence utilization of inpatient levels of care.

**Strategies to attain the goal:**

Employ a comprehensive discharge process to build collaborative discharges and utilize system of care approaches that leverage community-based resources.

Enhance the network of community-based providers and services.

**Annual Performance Indicators to measure goal success**

**Indicator #:**

1

**Indicator:**

The length of stay for intermediate care civil psychiatric patients admitted to OBH-managed intermediate care psychiatric facilities in the fiscal year demonstrates a decrease.

**Baseline Measurement:**

The number of persons whose continuous length of stay is greater than 6 months for civil patients admitted to intermediate care psychiatric facilities during SFY 15.

**First-year target/outcome measurement:**

The number of persons whose continuous length of stay is greater than 6 months for civil patients admitted to intermediate care psychiatric facilities during SFY 16.

**Second-year target/outcome measurement:**

The number of persons whose continuous length of stay is greater than 6 months for civil patients admitted to intermediate care psychiatric facilities during SFY 17.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from the Inpatient Hospital Database System (PIP).

**New Data Source(if needed):**

**Description of Data:**

The number of persons who were admitted to a state-managed intermediate care psychiatric facility during the SFY (July 1 – June 30) whose continuous length of stay based on the date of admission and the date of discharge from the facility is greater than 6 months.

**New Description of Data:(if needed)**

**Data issues/caveats that affect outcome measures:**

None anticipated.

**New Data issues/caveats that affect outcome measures:**

**Report of Progress Toward Goal Attainment**

First Year Target:



Achieved



Not Achieved (if not achieved,explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How first year target was achieved (optional):**

Second Year Target:



Achieved



Not Achieved (if not achieved,explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

This measure increased by a statistically insignificant amount, and this could be due to a variety of factors. No proposed changes are needed at this time.

**How second year target was achieved (optional):**

**Priority #:** 3  
**Priority Area:** Primary Healthcare  
**Priority Type:** SAT, MHS  
**Population(s):** SMI, SED, PWWDC, IVDUs, HIV EIS, TB

**Goal of the priority area:**

Monitor and influence engagement with physical health provider for individuals receiving behavioral health services.

**Strategies to attain the goal:**

The Louisiana Behavioral Health Partnership (LBHP) and the Medicaid Bayou Health plans will engage regularly in order to coordinate care for enrollees and to ensure that the systems are working together.

Establish an effective linkage/referral system between the Louisiana Behavioral Health Partnership (LBHP) and the Medicaid Bayou Health plans.

**Annual Performance Indicators to measure goal success**

**Indicator #:** 1  
**Indicator:** Percentage of Medicaid Bayou Health plan enrollees who are also enrolled in the Louisiana Behavioral Health Partnership (LBHP) during SFY 16 and SFY 17 as compared to SFY 15.  
**Baseline Measurement:** The percentage of Medicaid Bayou Health plan enrollees who are also enrolled in the Louisiana Behavioral Health Partnership (LBHP) during SFY 15.  
**First-year target/outcome measurement:** The percentage of Medicaid Bayou Health plan enrollees who are also enrolled in the Louisiana Behavioral Health Partnership (LBHP) during SFY 16.  
**Second-year target/outcome measurement:** Not Reported. Applicable only to FY2015 and FY2016.  
**New Second-year target/outcome measurement(if needed):** The number of Medicaid managed care members who receive behavioral-related services from their PCP during SFY 17.

**Data Source:**

This data will be collected from electronic health records (EHR).

**New Data Source(if needed):**

This data will be collected from the Medicaid data warehouse.

**Description of Data:**

The percentage of Medicaid Bayou Health plan enrollees who are also enrolled in the Louisiana Behavioral Health Partnership (LBHP) at the end of the fiscal year (as of June 30).

**New Description of Data(if needed)**

The number of managed care members who receive basic behavioral-related services from their PCP at the end of the fiscal year (as of June 30).

**Data issues/caveats that affect outcome measures:**

As a result of the steep implementation schedule, the State has experienced temporary disturbances in data collection, particularly in its outcomes measurement systems. The State has proactively initiated corrective action steps with EHR vendors. This will allow OBH to better analyze data of interest to use in planning efforts.

**New Data issues/caveats that affect outcome measures:**

Behavioral health was integrated into Medicaid managed care physical health plans on December 1, 2015. We anticipate an increase in



basic behavioral health-related services rendered by PCPs as a result of this integration. Some of the MCOs incentivized providers for including these services with visits.

## Report of Progress Toward Goal Attainment

First Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How first year target was achieved (optional):**

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How second year target was achieved (optional):**

**Priority #:** 4  
**Priority Area:** Clinical Quality Measures  
**Priority Type:** SAT, MHS  
**Population(s):** SMI, SED, PWWDC, IVDUs, HIV EIS, TB

**Goal of the priority area:**

Monitor and influence the quality of behavioral health services.

**Strategies to attain the goal:**

Ensure that the MCO maintains quality of care standards.

### Annual Performance Indicators to measure goal success

**Indicator #:** 1

**Indicator:** Follow-Up After Hospitalization for Mental Illness (FUH).

**Baseline Measurement:** For CY16, the percentage of discharges for members 6 years of age and older who were hospitalized for treatment of selected mental health disorders and who had an outpatient visit, an intensive outpatient encounter or partial hospitalization with a mental health practitioner. Two rates are reported.

**First-year target/outcome measurement:** For CY17, the percentage of discharges for members 6 years of age and older who were hospitalized for treatment of selected mental health disorders and who had an outpatient visit, an intensive outpatient encounter or partial hospitalization with a mental health practitioner.

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):**

**Description of Data:**

1. For the CY, the percentage of members who received follow-up within 30 days of discharge.
2. For the CY, the percentage of members who received follow-up within 7 days of discharge.

Denominator Description

Discharges for members age 6 years and older as of the date of discharge who were hospitalized for treatment of selected mental illness diagnoses and who were discharged from an acute inpatient setting (including acute care psychiatric facilities) with a principal diagnosis of mental illness on or between January 1 and December 1 of the measurement year

**Numerator Description**

An outpatient visit, intensive outpatient visit, or partial hospitalization with a mental health practitioner within 7 days after discharge. Include outpatient visits, intensive outpatient visits, or partial hospitalizations that occur on the date of discharge

**New Description of Data:(if needed)****Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:**

## Report of Progress Toward Goal Attainment

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

**How first year target was achieved (optional):**

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:****How second year target was achieved (optional):**

**Indicator #:** 2

**Indicator:** Identification of Alcohol and Other Drug Services (IAD).

**Baseline Measurement:** For CY16, the number and percentage of members with an alcohol and other drug dependence (AOD) claim who received the following chemical dependency services during the measurement year: any service, inpatient, intensive outpatient or partial hospitalization, and outpatient or emergency department (ED).

**First-year target/outcome measurement:** For CY17, the number and percentage of members with an alcohol and other drug dependence (AOD) claim who received the following chemical dependency services during the measurement year: any service, inpatient, intensive outpatient or partial hospitalization, and outpatient or emergency department (ED).

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application.

**New Second-year target/outcome measurement(if needed):****Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):****Description of Data:**

This measure provides an overview of members with an alcohol and other drug (AOD) dependence diagnosis and the extent to which the different levels of chemical dependency services are used.

**Denominator Description**

For commercial, Medicaid, and Medicare product lines, all member months during the measurement year for members with the chemical dependency benefit, stratified by age and sex.

**Numerator Description**

Members who received inpatient, intensive outpatient, partial hospitalization, outpatient and emergency department (ED) chemical dependency services.

**New Description of Data:(if needed)**

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**Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:**

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**Report of Progress Toward Goal Attainment**

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved,explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

**How first year target was achieved (optional):**

Second Year Target: ☐ Achieved ☒ Not Achieved (if not achieved,explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

This performance measure is not tracked or collected in Louisiana at this time.

**How second year target was achieved (optional):**

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**Indicator #:** 3

**Indicator:** Mental Health Utilization (MPT).

**Baseline Measurement:** For CY16, the number and percentage of members receiving the following mental health services during the measurement year: any service, inpatient, intensive outpatient or partial hospitalization, and Outpatient or emergency department (ED).

**First-year target/outcome measurement:** For CY17, the number and percentage of members receiving the following mental health services during the measurement year: any service, inpatient, intensive outpatient or partial hospitalization, and Outpatient or emergency department (ED).

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application.

**New Second-year target/outcome measurement(if needed):****Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):**

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**Description of Data:**

This measure provides an overview of members with a mental health diagnosis and the extent to which the different levels of services are used.

**Denominator Description**

For commercial, Medicaid, and Medicare product lines, all member months during the measurement year for members with the mental health benefit, stratified by age and sex.

**Numerator Description**

Members who received inpatient, intensive outpatient, partial hospitalization, outpatient and emergency department (ED) mental health services.

**New Description of Data:(if needed)**

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**Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:**

## Report of Progress Toward Goal Attainment

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

**How first year target was achieved (optional):**

Second Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

This performance measure is not tracked or collected in Louisiana at this time.

**How second year target was achieved (optional):**

**Indicator #:** 4

**Indicator:** Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications (SSD).

**Baseline Measurement:** For CY16, percentage of members 18–64 years of age with schizophrenia or bipolar disorder, who were dispensed an antipsychotic medication and had a diabetes screening test during the measurement year.

**First-year target/outcome measurement:** For CY17, percentage of members 18–64 years of age with schizophrenia or bipolar disorder, who were dispensed an antipsychotic medication and had a diabetes screening test during the measurement year.

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):**

**Description of Data:**

**Denominator Description**

Medicaid members' age 18 to 64 years as of December 31 of the measurement year with schizophrenia or bipolar disorder who were dispensed an antipsychotic medication.

**Numerator Description**

A glucose test or a hemoglobin A1c (HbA1c) test performed during the measurement year.

**New Description of Data(if needed)**

**Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:**

## Report of Progress Toward Goal Attainment

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

### Reason why target was not achieved, and changes proposed to meet target:

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

### How first year target was achieved (optional):

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

### Reason why target was not achieved, and changes proposed to meet target:

### How second year target was achieved (optional):

Indicator #: 5

Indicator: Diabetes Monitoring for People with Diabetes and Schizophrenia (SMD).

Baseline Measurement: For CY16, percentage of members 18–64 years of age with schizophrenia and diabetes who had both an LDL-C test and an HbA1c test during the measurement year.

First-year target/outcome measurement: For CY17, percentage of members 18–64 years of age with schizophrenia and diabetes who had both an LDL-C test and an HbA1c test during the measurement year.

Second-year target/outcome measurement: Applicable to the FY2018-19 Block Grant Application

### New Second-year target/outcome measurement(if needed):

#### Data Source:

This data will be collected from the MCO databases.

### New Data Source(if needed):

### Description of Data:

#### Denominator Description

Medicaid members 18 to 64 years of age as of December 31 of the measurement year with schizophrenia and diabetes.

#### Numerator Description

A hemoglobin A1c (HbA1c) test and a low-density lipoprotein cholesterol (LDL-C) test performed during the measurement year.

### New Description of Data:(if needed)

### Data issues/caveats that affect outcome measures:

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

### New Data issues/caveats that affect outcome measures:

## Report of Progress Toward Goal Attainment

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

### Reason why target was not achieved, and changes proposed to meet target:

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

### How first year target was achieved (optional):

Second Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

### Reason why target was not achieved, and changes proposed to meet target:

This performance measure is not tracked or collected in Louisiana at this time.

**How second year target was achieved (optional):**

**Indicator #:**

6

**Indicator:**

Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia (SMC).

**Baseline Measurement:**

For CY16, percentage of members 18–64 years of age with schizophrenia and cardiovascular disease, who had an LDL-C test during the measurement year.

**First-year target/outcome measurement:**

For CY17, percentage of members 18–64 years of age with schizophrenia and cardiovascular disease, who had an LDL-C test during the measurement year.

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):**

**Description of Data:**

Denominator Description

Medicaid members age 18 to 64 years as of December 31 of the measurement year with schizophrenia and cardiovascular disease.

Numerator Description

A low-density lipoprotein cholesterol (LDL-C) test performed during the measurement year.

**New Description of Data(if needed)**

**Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:**

## Report of Progress Toward Goal Attainment

First Year Target:



Achieved



Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

**How first year target was achieved (optional):**

Second Year Target:



Achieved



Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

This performance measure is not tracked or collected in Louisiana at this time.

**How second year target was achieved (optional):**

**Indicator #:**

7

**Indicator:**

Adherence to Antipsychotic medications for Individuals with Schizophrenia (SAA).

**Baseline Measurement:**

For CY16, the percentage of members 19 to 64 years of age during the measurement year

with schizophrenia who were dispensed and remained on an antipsychotic medication for at least 80 percent of their treatment period.

**First-year target/outcome measurement:** For CY17, the percentage of members 19 to 64 years of age during the measurement year with schizophrenia who were dispensed and remained on an antipsychotic medication for at least 80 percent of their treatment period.

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):**

**Description of Data:**

Denominator Description

Medicaid members 19 to 64 years of age as of December 31 of the measurement year with schizophrenia.

Numerator Description

The number of members who achieved a proportion of days covered (PDC) of at least 80 percent for their antipsychotic medications during the measurement year.

**New Description of Data(if needed)**

**Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:**

## Report of Progress Toward Goal Attainment

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

**How first year target was achieved (optional):**

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How second year target was achieved (optional):**

**Indicator #:** 8

**Indicator:** Use of Multiple Concurrent Antipsychotics in Children and Adolescents (APC).

**Baseline Measurement:** For CY16, the percentage of children and adolescents 1 to 17 years of age who were on two or more concurrent antipsychotic medications.

**First-year target/outcome measurement:** For CY17, the percentage of children and adolescents 1 to 17 years of age who were on two or more concurrent antipsychotic medications.

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):**

**Description of Data:**

**Denominator Description**

Children and adolescents age 1 to 17 years as of December 31 of the measurement year with 90 days of continuous antipsychotic medication treatment during the measurement year.

**Numerator Description**

Members on two or more concurrent antipsychotic medications for at least 90 consecutive days during the measurement year.

**New Description of Data:(if needed)**

**Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:**

## Report of Progress Toward Goal Attainment

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved,explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

**How first year target was achieved (optional):**

Second Year Target: ☐ Achieved ☒ Not Achieved (if not achieved,explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

This performance measure is not tracked or collected in Louisiana at this time.

**How second year target was achieved (optional):**

**Indicator #:** 9

**Indicator:** Metabolic Monitoring for Children and Adolescents on Antipsychotics (APM).

**Baseline Measurement:** For CY16, percentage of children and adolescents 1 to 17 years of age who had two or more antipsychotic prescriptions and had metabolic testing.

**First-year target/outcome measurement:** For CY17, percentage of children and adolescents 1 to 17 years of age who had two or more antipsychotic prescriptions and had metabolic testing.

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):**

**Description of Data:**

**Denominator Description**

Children and adolescents age 1 to 17 years as of December 31 of the measurement year with at least two antipsychotic medication dispensing events of the same or different medications, on different dates of service during the measurement year.



#### Numerator Description

Both of the following during the measurement year:

- At least one test for blood glucose or hemoglobin A1c (HbA1c).
- At least one test for low-density lipoprotein-cholesterol (LDL-C) or cholesterol.

#### New Description of Data:(if needed)

#### Data issues/caveats that affect outcome measures:

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

#### New Data issues/caveats that affect outcome measures:

## Report of Progress Toward Goal Attainment

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

#### Reason why target was not achieved, and changes proposed to meet target:

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

#### How first year target was achieved (optional):

Second Year Target: ☐ Achieved ☒ Not Achieved (if not achieved, explain why)

#### Reason why target was not achieved, and changes proposed to meet target:

This performance measure is not tracked or collected in Louisiana at this time.

#### How second year target was achieved (optional):

Indicator #: 10

Indicator: Initiation and Engagement of Alcohol and other Drug Dependence Treatment (IET).

Baseline Measurement: For CY16, the percentage of adolescent and adult patients with a new episode of alcohol or other drug (AOD) dependence who received the following.

First-year target/outcome measurement: For CY17, the percentage of adolescent and adult patients with a new episode of alcohol or other drug (AOD) dependence who received the following.

Second-year target/outcome measurement: Applicable to the FY2018-19 Block Grant Application.

#### New Second-year target/outcome measurement(if needed):

#### Data Source:

This data will be collected from the MCO databases.

#### New Data Source(if needed):

#### Description of Data:

##### Denominator Description

Patients age 13 years of age and older who were diagnosed with a new episode of alcohol or other drug dependency (AOD) during the first 10 and ½ months of the measurement year (e.g., January 1-November 15).

##### Numerator Description

Initiation of AOD Dependence Treatment:

Initiation of AOD treatment through an inpatient admission, outpatient visit, intensive outpatient encounter or partial hospitalization within 14 days of diagnosis.

---

Engagement of AOD Treatment:

Initiation of AOD treatment and two or more inpatient admissions, outpatient visits, intensive outpatient encounters or partial hospitalizations with any AOD diagnosis within 30 days after the date of the Initiation encounter (inclusive).

**New Description of Data:(if needed)****Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:****Report of Progress Toward Goal Attainment**

First Year Target: ☐ Achieved ☒ Not Achieved (if not achieved,explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

**How first year target was achieved (optional):**

Second Year Target: ☐ Achieved ☒ Not Achieved (if not achieved,explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

This performance measure is not tracked or collected in Louisiana at this time.

**How second year target was achieved (optional):**

**Indicator #:** 11

**Indicator:** Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics (APP).

**Baseline Measurement:** For CY16, the percentage of children and adolescents 1 to 17 years of age who had a new prescription for an antipsychotic medication and had documentation of psychosocial care as first-line treatment.

**First-year target/outcome measurement:** For CY17, the percentage of children and adolescents 1 to 17 years of age who had a new prescription for an antipsychotic medication and had documentation of psychosocial care as first-line treatment.

**Second-year target/outcome measurement:** Applicable to the FY2018-19 Block Grant Application.

**New Second-year target/outcome measurement(if needed):****Data Source:**

This data will be collected from the MCO databases.

**New Data Source(if needed):****Description of Data:****Denominator Description**

Children and adolescents age 1 to 17 years as of December 31 of the measurement year, with a Negative Medication History, who were dispensed an antipsychotic medication during the Intake Period.

**Numerator Description**

Documentation of psychosocial care in the 121-day period from 90 days prior to the Index Prescription Start Date (IPSD) through 30 days after the IPSD.

**New Description of Data:(if needed)****Data issues/caveats that affect outcome measures:**

Primary care and behavioral health integration is scheduled for implementation on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin December 1, 2015. This measure

will be collected using calendar year (CY).

**New Data issues/caveats that affect outcome measures:**

## Report of Progress Toward Goal Attainment

First Year Target:

☐

Achieved

☒

Not Achieved *(if not achieved, explain why)*

**Reason why target was not achieved, and changes proposed to meet target:**

Primary care and behavioral health integration was implemented on December 1, 2015, and maintenance/improvement of quality behavioral health services is a primary goal. Data collection for the HEDIS measures will begin January 1, 2016 and in accordance with NCQA technical specifications. Data will be available for the 2018 Behavioral Health Report submission.

**How first year target was achieved (optional):**

Second Year Target:

☐

Achieved

☒

Not Achieved *(if not achieved, explain why)*

**Reason why target was not achieved, and changes proposed to meet target:**

This performance measure is not tracked or collected in Louisiana at this time.

**How second year target was achieved (optional):**

**Priority #:**

5

**Priority Area:**

Primary Prevention Services

**Priority Type:**

SAP

**Population(s):**

PP

**Goal of the priority area:**

Monitor and influence the onset and reduce the progression of substance abuse and other high-risk behaviors.

**Strategies to attain the goal:**

Implement evidence-based prevention programs in school-based settings through partnership with the Department of Education and in community-based settings.

### Annual Performance Indicators to measure goal success

**Indicator #:**

1

**Indicator:**

The number of individuals served in evidence-based prevention programs.

**Baseline Measurement:**

The number of persons served in evidence-based prevention programs during SFY 15.

**First-year target/outcome measurement:**

The number of persons served in evidence-based prevention programs during SFY 16.

**Second-year target/outcome measurement:**

The number of persons served in evidence-based prevention programs during SFY 17.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

This data will be collected from the Prevention Management Information System (PMIS).

**New Data Source(if needed):**

**Description of Data:**

Program records are maintained by primary prevention programs. Demographic and service information are maintained on all individuals served in evidence-based prevention programs. Data is entered into OBH's Prevention Management Information System (PMIS) and is monitored on an on-going basis.

**New Description of Data(if needed)**

**Data issues/caveats that affect outcome measures:**

It is the expectation that data be entered by program providers on a daily basis. If program staff does not enter data on this schedule, data backlog can occur.

**New Data issues/caveats that affect outcome measures:**

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## Report of Progress Toward Goal Attainment

First Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How first year target was achieved (optional):**

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

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**How second year target was achieved (optional):**

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**Indicator #:** 2

**Indicator:** Percentage of individuals served, ages 12-17, who reported they used alcohol, tobacco, and other drugs during the past 30 days.

**Baseline Measurement:** Responses to Government Performance and Results Act (GPRA) questions collected from pre-post tests administered to individuals ages 12-17 served by evidence-based programs during SFY 15.

**First-year target/outcome measurement:** Responses to GPRA questions collected from pre-post tests administered to individuals ages 12-17 served by evidence-based programs during SFY 16.

**Second-year target/outcome measurement:** Responses to GPRA questions collected from pre-post tests administered to individuals ages 12-17 served by evidence-based programs during SFY 17.

**New Second-year target/outcome measurement(if needed):**

**Data Source:**

Responses to GPRA questions are collected on Scantron pre-post tests administered to those individuals ages 12-17 enrolled in prevention programs.

**New Data Source(if needed):**

---

**Description of Data:**

A standardized survey administered by designated prevention program staff at the start and completion of program. Questions specific to past 30-day use of alcohol, tobacco, and marijuana have been added to pre- and post-tests for middle and high school programs (ages 12-17). Collection is daily, monthly, and/or quarterly. Pre- and Post-Tests are administered by Scantron, matched, and scored. Reporting is annual.

**New Description of Data:(if needed)**

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**Data issues/caveats that affect outcome measures:**

The survey respondent's ability to comprehend subject matter and motivation; qualification and experience of teachers and presenters; method and quality of instruction can all impact the data. The success of this indicator is measured by maintenance of abstinence or a decrease in reported past 30-day use of alcohol, tobacco, or marijuana. This indicator is contingent on funding being maintained, as well as on continued partnership with the Louisiana Department of Education (DOE).

**New Data issues/caveats that affect outcome measures:**

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## Report of Progress Toward Goal Attainment

First Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:**

**How first year target was achieved (optional):**

Second Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:****How second year target was achieved (optional):**

**Priority #:** 6

**Priority Area:** Preventing Access of Tobacco Products to Minors

**Priority Type:** SAP

**Population(s):** SMI, SED, PWWDC, IVDUs, HIV EIS, TB, Other

**Goal of the priority area:**

Monitor and influence the access of tobacco products to individuals under the age of 18.

**Strategies to attain the goal:**

Oversee random, unannounced compliance inspections of tobacco retailers to determine Louisiana's non-compliance rate as required under the federally mandated SYNAR Amendment.

**Annual Performance Indicators to measure goal success**

**Indicator #:** 1

**Indicator:** Maintain a non-compliance rate of no more than 20%.

**Baseline Measurement:** Annual SYNAR Retailer Violation Rate (RVR), as reported in 2015 Annual SYNAR Report.

**First-year target/outcome measurement:** Annual SYNAR Retailer Violation Rate (RVR), as reported in 2016 Annual SYNAR Report.

**Second-year target/outcome measurement:** Annual SYNAR Retailer Violation Rate (RVR), as reported in 2017 Annual SYNAR Report.

**New Second-year target/outcome measurement(if needed):****Data Source:**

SAMHSA's required Annual Synar Report for the state of Louisiana.

**New Data Source(if needed):****Description of Data:**

Completed random, unannounced compliance checks conducted by the Office of Alcohol and Tobacco Control are submitted to OBH for review of accuracy. Once they are confirmed to be valid, accurate, and reliable, the results of the checks are run through statistical software to generate the state's non-compliance rate.

**New Description of Data(if needed)****Data issues/caveats that affect outcome measures:**

This indicator is contingent on continued partnership with the Louisiana Office of Alcohol and Tobacco Control (OATC) and enforcement of laws and regulations specific to retail availability of tobacco products to minors.

**New Data issues/caveats that affect outcome measures:****Report of Progress Toward Goal Attainment**

First Year Target: ☒ Achieved ☐ Not Achieved (if not achieved, explain why)

**Reason why target was not achieved, and changes proposed to meet target:****How first year target was achieved (optional):**

Second Year Target: ☒ Achieved ☐ Not Achieved *(if not achieved, explain why)*

**Reason why target was not achieved, and changes proposed to meet target:**

**How second year target was achieved *(optional)*:**

**Footnotes:**

### III: Expenditure Reports

**MHBG Table 3 - MHBG Expenditures By Service.**

Expenditure Period Start Date: 7/1/2015      Expenditure Period End Date: 6/30/2016

Service	Expenditures
<b>Healthcare Home/Physical Health</b>	<b>\$</b>
Specialized Outpatient Medical Services;	
Acute Primary Care;	
General Health Screens, Tests and Immunizations;	
Comprehensive Care Management;	
Care coordination and Health Promotion;	
Comprehensive Transitional Care;	
Individual and Family Support;	
Referral to Community Services Dissemination;	
<b>Prevention (Including Promotion)</b>	<b>\$</b>
Screening, Brief Intervention and Referral to Treatment ;	
Brief Motivational Interviews;	
Screening and Brief Intervention for Tobacco Cessation;	
Parent Training;	
Facilitated Referrals;	
Relapse Prevention/Wellness Recovery Support;	
Warm Line;	
<b>Substance Abuse (Primary Prevention)</b>	<b>\$</b>
Classroom and/or small group sessions (Education);	
Media campaigns (Information Dissemination);	
Systematic Planning/Coalition and Community Team Building(Community Based Process);	

Parenting and family management (Education);	
Education programs for youth groups (Education);	
Community Service Activities (Alternatives);	
Student Assistance Programs (Problem Identification and Referral);	
Employee Assistance programs (Problem Identification and Referral);	
Community Team Building (Community Based Process);	
Promoting the establishment or review of alcohol, tobacco, and drug use policies (Environmental);	
<b>Engagement Services</b>	<b>\$</b>
Assessment;	
Specialized Evaluations (Psychological and Neurological);	
Service Planning (including crisis planning);	
Consumer/Family Education;	
Outreach;	
<b>Outpatient Services</b>	<b>\$</b>
Evidenced-based Therapies;	
Group Therapy;	
Family Therapy ;	
Multi-family Therapy;	
Consultation to Caregivers;	
<b>Medication Services</b>	<b>\$</b>
Medication Management;	
Pharmacotherapy (including MAT);	
Laboratory services;	
<b>Community Support (Rehabilitative)</b>	<b>\$</b>
Parent/Caregiver Support;	
Skill Building (social, daily living, cognitive);	



Case Management;	
Behavior Management;	
Supported Employment;	
Permanent Supported Housing;	
Recovery Housing;	
Therapeutic Mentoring;	
Traditional Healing Services;	
<b>Recovery Supports</b>	<b>\$</b>
Peer Support;	
Recovery Support Coaching;	
Recovery Support Center Services;	
Supports for Self-directed Care;	
<b>Other Supports (Habilitative)</b>	<b>\$</b>
Personal Care;	
Homemaker;	
Respite;	
Supported Education;	
Transportation;	
Assisted Living Services;	
Recreational Services;	
Trained Behavioral Health Interpreters;	
Interactive Communication Technology Devices;	
<b>Intensive Support Services</b>	<b>\$</b>
Substance Abuse Intensive Outpatient (IOP);	
Partial Hospital;	
Assertive Community Treatment;	

Intensive Home-based Services;	
Multi-systemic Therapy;	
Intensive Case Management ;	
<b>Out-of-Home Residential Services</b>	<b>\$</b>
Children's Mental Health Residential Services;	
Crisis Residential/Stabilization;	
Clinically Managed 24 Hour Care (SA);	
Clinically Managed Medium Intensity Care (SA) ;	
Adult Mental Health Residential ;	
Youth Substance Abuse Residential Services;	
Therapeutic Foster Care;	
<b>Acute Intensive Services</b>	<b>\$</b>
Mobile Crisis;	
Peer-based Crisis Services;	
Urgent Care;	
23-hour Observation Bed;	
Medically Monitored Intensive Inpatient (SA);	
24/7 Crisis Hotline Services;	
<b>Other (please list)</b>	<b>\$</b>
<b>Total</b>	<b>\$0</b>

**Footnotes:**

III: Expenditure Reports

MHBG Table 4 - Set-aside for Children's Mental Health Services

State Expenditures for Mental Health Services		
Actual SFY 2008	Actual SFY 2016	Estimated/Actual SFY 2017
\$16,043,045	\$16,770,109	\$19,903,350

States are required to not spend less than the amount expended in Actual SFY 2008. This is a change from the previous year, when the baseline for the state expenditures was 1994.

**Footnotes:**

### III: Expenditure Reports

**MHBG Table 7 - Maintenance of Effort for State Expenditures on Mental Health Services**

Total Expenditures for SMHA		
Period (A)	Expenditures (B)	<u>B1(2015) + B2(2016)</u> 2 (C)
SFY 2015 (1)	\$103,447,810	
SFY 2016 (2)	\$109,935,656	\$106,691,733
SFY 2017 (3)	\$99,067,273	

Are the expenditure amounts reported in Column B "actual" expenditures for the State fiscal years involved?

SFY 2015	Yes	<u><b>X</b></u>	No	_____
SFY 2016	Yes	<u><b>X</b></u>	No	_____
SFY 2017	Yes	<u><b>X</b></u>	No	_____

If estimated expenditures are provided, please indicate when actual expenditure data will be submitted to SAMHSA: \_\_\_\_\_

**Footnotes:**

\*Actual expenditures for SFY 2015 should be \$101,035,439. A revision request has been sent to the SPO.

\*The MOE waiver request dated July 24, 2017, is included in the Attachments section.



**State of Louisiana**  
Louisiana Department of Health  
Office of Behavioral Health

July 24, 2017

Kana Enomoto, M.A.  
Acting Deputy Assistant Secretary  
Substance Abuse and Mental Health Services Administration  
5600 Fishers Lane  
Rockville, Maryland 20857

Dear Ms. Enomoto:

With the submission of the FFY2018 Substance Abuse Prevention and Treatment (SAPT) Block Grant and the Community Mental Health Services (CMHS) Federal Block Grant Applications, the State of Louisiana hereby requests a waiver of the State Maintenance of Effort (MOE) requirement for the SFY 2017. Louisiana has experienced some unique economic conditions during SFY2016 that deem it eligible for waiver of the MOE requirement. Attached you will find documents in support of our circumstances.

*Tax Revenue*

During SFY2015 Louisiana saw a very small increase in tax collections. *Taxes, Licenses, and Fees* had a very minimal increase in collections. The increase totaled approximately \$168.3 (Actual in Millions) or an increase of 1.6% compared to the previous year. *State General Fund Revenues* also saw a small increase as well in the amount of \$214.2 (Actual in Millions) or 2.6%. During SFY2016, *Taxes, Licenses, and Fees* collections declined by \$68.0 (Actual in Millions) or 0.6%, while *State General Fund Revenues* declined by approximately \$534.9 (Actual in Millions) or 6.3%. Included in the attachments are excerpts from the Governor's Executive Budgets for SFY2016 (includes SFY15 Actuals) and SFY2017 (includes SFY16 Actuals), respectively.

In addition to the items outlined above, it should be noted that due to the financial climate in Louisiana, the state legislature had to assign mid-year cuts to state agencies in order to offset the anticipated state revenue that was not realized during SFY17. As a result of these cuts, the Office of Behavioral Health had to reduce funding for substance use and mental health related services by nearly \$8.3 (Actual in Millions), with the bulk of the reduction coming from mental health.

*Labor Statistics*

It should be noted that while Louisiana has seen a slight decline in unemployment, participation has also declined. Additionally, since 2014 the unemployment rates have consistently remained higher than that of the Southern Regional average, as well as the nation as a whole. Per the Louisiana Legislative Fiscal Office's *Relative Unemployment Performance* report (attached), as

Kana Enomoto, M.A.

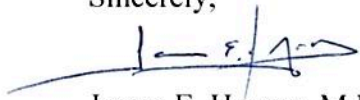
July 24, 2017

Page 2

of April 2017, the broadest measure of unemployment for the nation was 8.6%. According to that same report, for the annual period ending in March, 2017, the broad rate for the state of Louisiana was 10.5%. Louisiana's declining oil revenue, declining and expiring tax revenues associated with oil and gas, decreasing State General Fund revenue and consistently higher than national and southern average unemployment rates have resulted in difficulties in sustaining necessary funding for state and regional efforts in the areas of behavioral health.

In closing, the above economic conditions, which have been exasperated by the multiple federally declared, weather-related disasters Louisiana has endured since March, 2016, have resulted in a financial crisis for our state. It is our hope that your office and staff will continue partnering with our office, in an effort to provide the assistance necessary for Louisiana to overcome these challenges, so that we can continue to provide critical behavioral health services and resources provided by these dollars to the citizens of Louisiana. We thank you in advance for your support and understanding.

Sincerely,

A handwritten signature in blue ink, appearing to read "James E. Hussey", with a stylized flourish at the end.

James E. Hussey, M.D.

Assistant Secretary / Medical Director

Attachments

JEH/aj

GOVERNOR'S  
**EXECUTIVE BUDGET**  
FISCAL YEAR 2016-2017



**John Bel Edwards**  
**Governor**

Jay Dardenne  
Commissioner of Administration

# COMPARATIVE STATEMENT

## COMPARATIVE STATEMENT FISCAL YEARS 2014-2015 THROUGH 2016-2017

(Exclusive of Double Counts) (Dollars in Millions)

	ACTUAL FY 2014-2015 (1)	EXISTING AS OF 12/01/2015 FY 2015-2016 (2)	EXECUTIVE BUDGET FY 2016-2017 (3)
REVENUE			
A VAILABLE GENERAL FUND REVENUE	\$8,429.7	\$8,481.6	\$8,239.3
UNDESIGNATED GENERAL FUND CASH BALANCE	\$133.9	(\$117.1)	\$0.0
TRANSFER OF FUNDS (4)(5)	\$4.3	\$30.3	\$0.0
TRANSFER OF FUNDS FROM MID-YEAR ADJUSTMENTS	\$42.1	\$134.6	\$0.0
STATE GENERAL FUND CARRYFORWARD	\$11.2	\$11.9	\$0.0
INTERIM EMERGENCY BOARD CARRYFORWARD	\$0.0	\$0.0	\$0.0
CAPITAL OUTLAY RE-APPROPRIATION	\$0.5	\$0.0	\$0.0
SELF-GENERATED REVENUE	\$2,222.7	\$2,362.3	\$2,401.4
STATUTORY DEDICATIONS	\$4,310.9	\$4,079.2	\$3,467.2
FEDERAL FUNDS	\$8,762.3	\$9,957.6	\$12,445.0
TOTAL FUNDS AVAILABLE	\$23,917.5	\$24,940.4	\$26,553.0
EXPENDITURES			
GENERAL APPROPRIATIONS BILL	\$21,688.6	\$23,033.9	\$24,470.0
ANCILLARY APPROPRIATIONS	\$70.2	\$121.0	\$121.0
NON-APPROPRIATED REQUIREMENTS	\$463.0	\$357.2	\$544.3
JUDICIAL EXPENSE	\$162.0	\$170.2	\$131.8
LEGISLATIVE EXPENSE	\$96.3	\$93.1	\$76.3
SPECIAL ACTS	\$0.0	\$0.0	\$0.0
CAPITAL OUTLAY	\$1,548.8	\$1,183.9	\$1,209.5
TOTAL EXPENDITURES	\$24,028.9	\$24,959.2	\$26,553.0
FUNDS LESS EXPENDITURES	(\$111.4)	(\$18.8)	\$0.0
OTHER TRANSFERS OUT	(\$5.7)	\$0.0	\$0.0
FY15-16 PREAMBLE REDUCTIONS	\$0.0	\$18.8	\$0.0
FUNDS LESS EXPENDITURES AFTER ADJUSTMENTS	(\$117.1)	\$0.0	\$0.0

- (1) The Actual FY 2014-2015 amounts reflect the Legislative Auditor reviewed revenues and expenditures made per the fiscal status summary presented to the Joint Legislative Committee on the Budget (JLCB) January 29, 2016, as required by R.S. 39:75 A.(3)(a).
- (2) The Existing Operating Budget (EOB) column for FY 2015-2016 reflects the Official Revenue Forecast from the November 16, 2015, meeting of the Revenue Estimating Conference (REC) for State General Fund.
- (3) The recommended Executive Budget column for FY 2016-2017 reflects the Official Revenue Forecast from the February 10, 2016, meeting of the Revenue Estimating Conference for State General Fund.
- (4) For FY 2014-2015, the transfers are authorized by Act 73 of the 2002 ELS, Act 420 of the 2013 RLS and Acts 121 of the 2015 RLS.
- (5) For FY 2015-2016, the transfers are authorized by Act 121 of the 2015 RLS.



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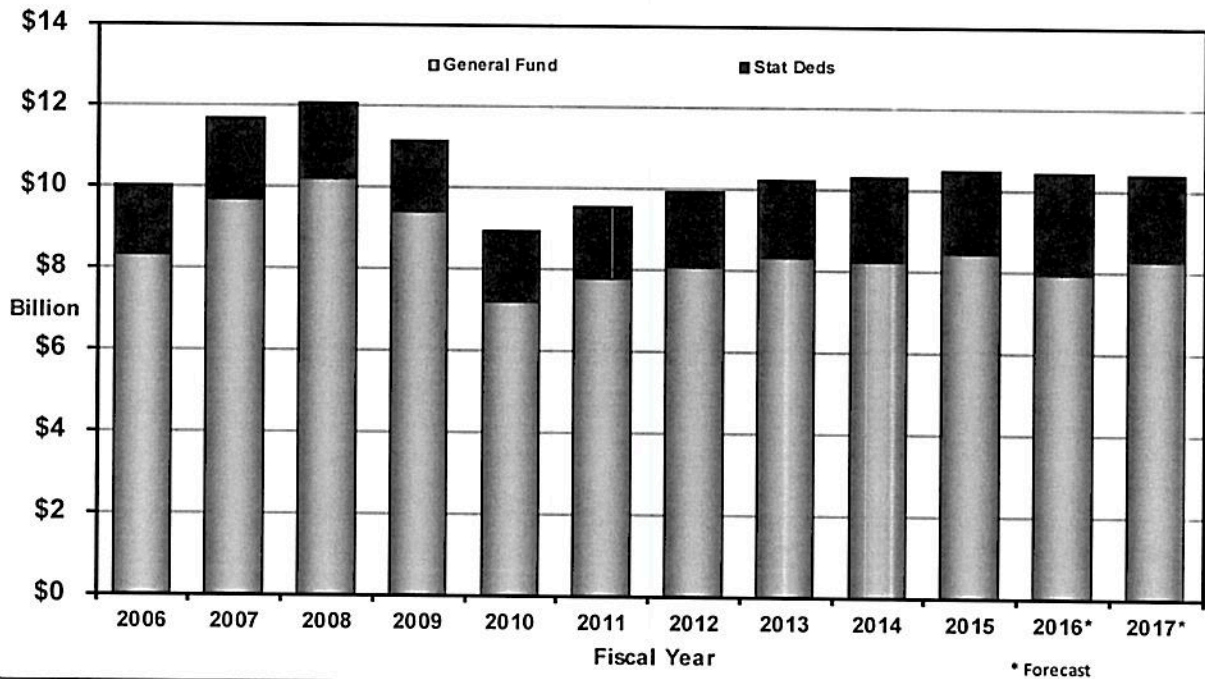
# ECONOMIC OUTLOOK

## LOUISIANA ECONOMIC FORECAST SUMMARY BY FISCAL YEAR ENDING JUNE 30

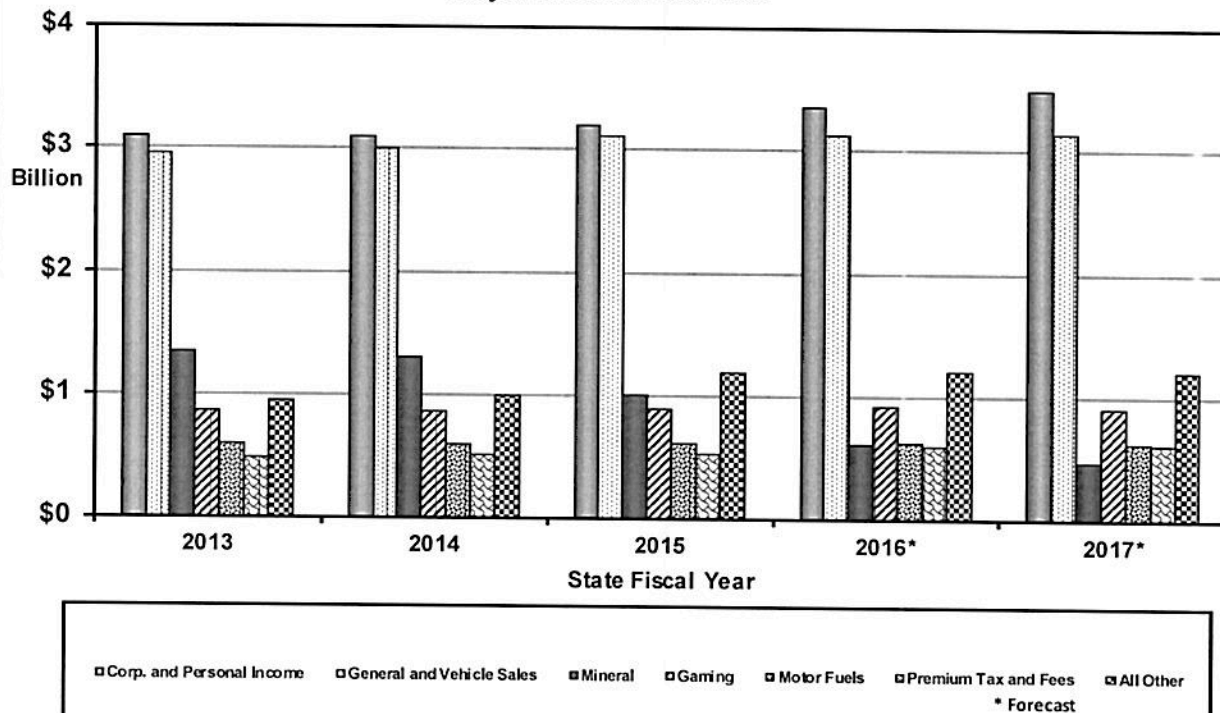
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016*</u>	<u>FY 2017*</u>
<b>Macroeconomic Assumptions</b>							
Population (Thousand)	4,565.6	4,593.9	4,620.5	4,642.2	4,659.9	4,675.6	4,690.8
% Change	0.9%	0.6%	0.6%	0.5%	0.4%	0.3%	0.3%
Louisiana Non-Agricultural Employment (Thousand)	1,892.1	1,916.2	1,938.0	1,965.8	1,988.8	1,988.6	2,012.6
% Change	0.3%	1.3%	1.1%	1.4%	1.2%	0.0%	1.2%
National Non-Agricultural Employment (Million)	130.9	133.0	135.2	137.6	140.6	143.3	146.0
% Change	0.6%	1.6%	1.6%	1.8%	2.1%	1.9%	1.9%
Louisiana Wages and Salaries (\$ Billion)	85.3	87.6	90.1	93.1	96.7	98.7	103.8
% Change	3.7%	2.7%	2.9%	3.3%	3.9%	2.1%	5.1%
National Wages and Salaries (\$ Billion)	6,526.0	6,763.3	7,022.8	7,283.1	7,655.2	8,063.3	8,554.3
% Change	3.9%	3.6%	3.8%	3.7%	5.1%	5.3%	6.1%
Inflation (Personal Consumption Deflator - Year 2009 = 100)	102.7	105.2	106.9	108.4	109.2	110.2	112.9
% Change	1.8%	2.4%	1.5%	1.4%	0.8%	0.9%	2.4%
Annual Change in U.S. Real Gross Domestic Product	2.3%	2.0%	1.4%	2.1%	2.7%	2.4%	3.0%
<b>Mineral-Related Assumptions</b>							
Severance Crude Oil Price (\$/barrel)	85.73	109.30	105.05	103.40	76.22	48.02	54.09
% Change	25.4%	27.5%	-3.9%	-1.6%	-26.3%	-37.0%	12.6%
Oil Production (Million Barrels)	68.3	74.5	77.0	75.2	71.4	65.0	62.8
% Change	1.4%	8.9%	3.4%	-2.4%	-5.1%	-8.9%	-3.5%
Henry Hub Natural Gas Price (\$/MCF)	4.31	3.28	3.48	4.24	3.33	2.66	3.05
% Change	0.1%	-24.0%	6.1%	21.8%	-21.5%	-20.0%	14.7%
Natural Gas Severance Rate (¢/MCF)	16.4	16.4	14.8	11.8	16.3	15.8	11.3
Natural Gas Production (Million MCF)	2,598.9	3,076.4	2,718.9	2,063.5	1,852.3	1,670.3	1,575.6
% Change	44.8%	18.4%	-11.6%	-24.1%	-10.2%	-9.8%	-5.7%

\* Forecast

## TAXES, LICENSES AND FEES



## TAXES, LICENSES & FEES Major Revenue Sources



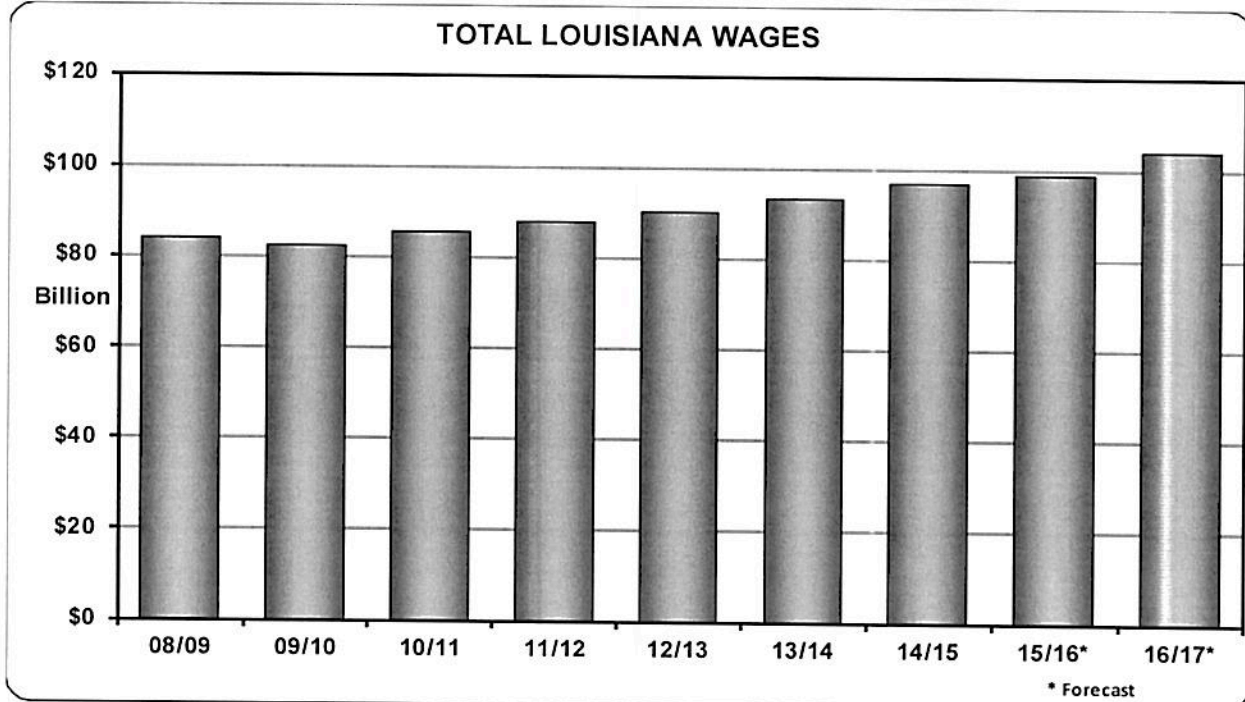
## Louisiana Employment and Wages

Over the last few fiscal years, Louisiana non-farm employment has been steadily rising, in tune with national economic activity. After falling in fiscal year FY2009-2010 by 2%, non-farm employment had a very modest recovery in fiscal year FY2010-2011. Subsequent fiscal years, FY2012-2013, FY2013-2014 and FY2014-2015 showed an improvement of 1.2% per year on average. Fiscal year FY2015-2016 is currently indicating a flat performance in the labor market (mostly because of the downturn in the oil industry), and for FY2016-2017 a small recovery is expected (1.2%).

Louisiana nominal wages fell (because of the effects of the crisis at the time) by 1.6% in FY2009-2010 and recovered 2.7%, 2.9%, 3.3% and 3.9% in FY2011-2012, FY2012-2013, FY2013-2014 and FY2014-2015 respectively. The projection for FY2015-2016 and FY2016-2017 is an increase in nominal wages of 2.1% and 5.1%.

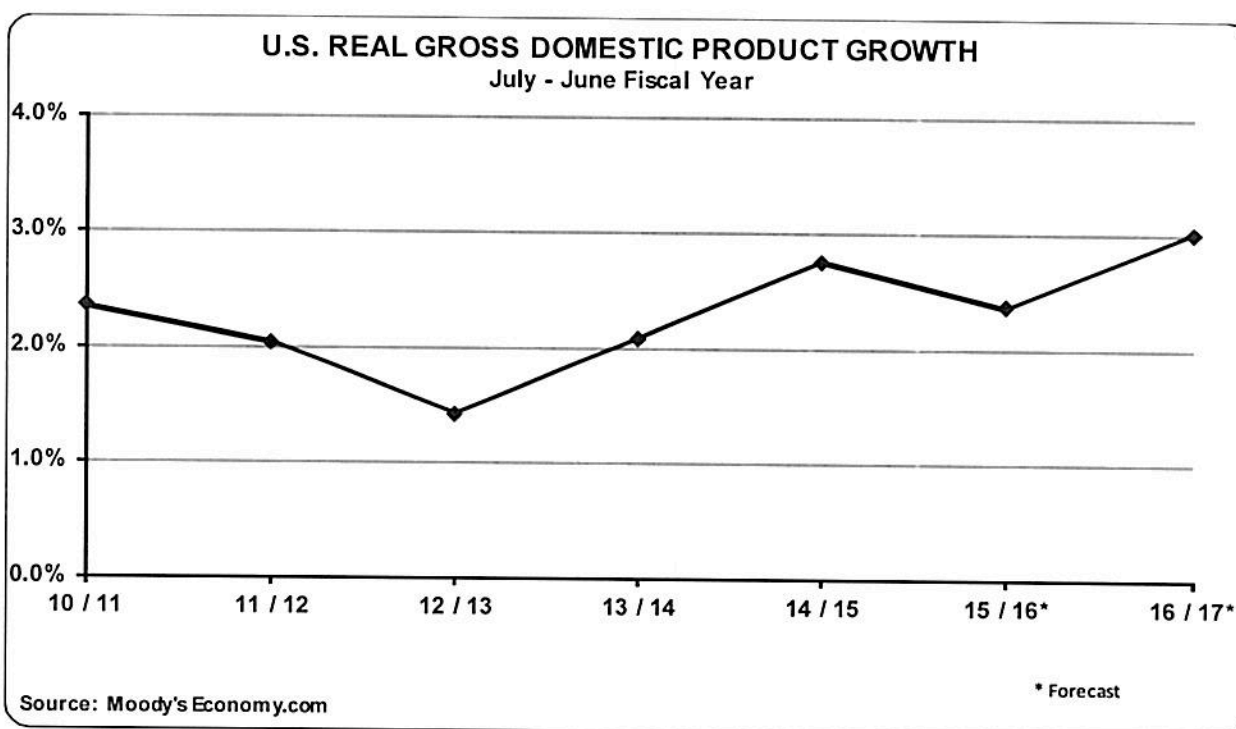
Louisiana Employment (Thousands, SA)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 forecast	FY 2016-17 forecast
<b>Statewide Nonfarm Employment</b>	<b>1,938</b>	<b>1,966</b>	<b>1,989</b>	<b>1989</b>	<b>2013</b>
<b>Goods Producing</b>	<b>320</b>	<b>334</b>	<b>341</b>	<b>336</b>	<b>342</b>
Natural Resources & Mining	53	54	51	43	40
Construction	129	134	141	146	156
Total Manufacturing	143	146	149	146	145
<b>Service Providing</b>	<b>1,612</b>	<b>1,648</b>	<b>1,648</b>	<b>1653</b>	<b>1671</b>
Trade, Transportation & Utilities	380	392	392	386	389
Information	26	27	27	26	25
Financial Activities	92	93	93	92	91
Professional & Business Services	206	212	212	219	227
Education & Health Services	286	302	302	309	310
Leisure & Hospitality	210	223	223	228	233
Other Services (except Public Administration)	69	72	72	72	73
Total Government	344	326	326	322	322

Source: Moody's Economy.com.



## U.S. Real Gross Domestic Product

The following is based upon the Moody's Economy.com data and forecast. The year 2009 was one of the worst years for the U.S. economy after World War II. The recession, which began late 2007, continued throughout 2008 and 2009. The National Bureau of Economic Research (NBER) Business Cycle Dating Committee has declared that the recession ended in the summer of 2009. U.S. real GDP fell by 2.6% during FY2008-2009, and close to 8 million jobs were lost since the economic downturn started. The national unemployment rate is now, at the time of this writing, at about 5% and is widely expected to remain at that level. During FY2009-2010 U.S. real GDP remained flat, growing at a pace of 1.0%. Fiscal years FY2011-2012, FY2012-2013, FY2013-2014 and FY2014-2015 presented modest growth rates of 2%, 1.4%, 2.1% and 2.7%, respectively. Projections by Moody's Economy.com indicate that for FY2015-2016 and FY2016-2017 the U.S. economy may grow at healthier rates of 2.4% and 3%, respectively.



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### Revenue Summary - Fiscal Year 2014-2015

Fiscal year FY2014-2015, saw a modest recovery in tax collections. Taxes, Licenses and Fees (TLF) collections increased by under 1.6%, and the State General Fund rose by 2.9%, compared to the previous fiscal year.

	<b>FY 2014-2015 Actual (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	10,468.4	168.3	1.6
Statutory Dedications	2,059.2	-45.9	-2.2
State General Fund	8,431.7	236.7	2.9

The following table displays the revenue sources that showed an increase of at least \$10 million over the prior fiscal year:

#### Annual Revenue Increases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	135.4	4.9
General Sales Tax	80.7	3.1
Riverboat Gaming Collections	37.6	10.1
Vehicle Sales Tax	25.0	6.7
Motor & Special Fuels Tax	17.6	3.0

The highest increases (in absolute terms) were in the collections of the Individual Income Tax and the General Sales Tax. This is attributable to increased economic activity. Riverboat Gaming collections showed strength, due to the new riverboat in Lake Charles (Golden Nugget Casino). The automotive sector also displayed strength, and auto sales have increased significantly, and with it, the collections of the Vehicle Sales Tax. The Motor & Special Fuels Tax collection increased because of the decrease in the oil price and the consequent fall of gasoline prices.

The next table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during FY2014-2015:

#### Annual Revenue Decreases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Royalties	-181.3	-38.6
Severance Tax	-114.6	-13.9
Quality Education Support Fund	-16.9	-28.8
Interest Earnings on SGF	-12.9	-30.2

Mineral Revenue declined in the previous fiscal year, mostly due to decreases in production and the remarkable fall of the oil price during Fiscal Year 2014-2015. Interest Earnings on the State General Fund decreased because of the low interest environment.



## Revenue Summary - Fiscal Year 2015 - 2016

The Revenue Estimating Conference (REC) met February 10, 2016 and adopted a forecast for Fiscal Year FY2015-2016 that projected an amount for Taxes, Licenses & Fees (TLF) of \$10,386.5 million; this represents a decrease of \$82 million compared to the actual collection of fiscal year FY2014-2015. With this Official Forecast, the State General Fund (SGF) is projected to fall by \$492 million, compared to the actual SGF collection in FY2014-2015 (a 5.8% decrease). The reason, in part, for this reduction in the SGF is that, for Fiscal Year 2015-2016, Statutory Dedications are projected to rise by about 20%, of which the biggest increase is due to the Higher Education Initiatives Fund.

	<b>FY 2015-2016 (Estimated) (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	10,386.5	-81.9	-0.8
Statutory Dedications	2,475.0	415.8	20.2
State General Fund	7,939.7	-492.0	-5.8

The following table ranks the revenue sources with the largest expected percentage growth and a \$10 million or higher increase over the prior fiscal year:

### Annual Revenue Increases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	96.8	3.4
Tobacco Tax	89.1	57.8
Excise License Tax (Premium Insurance Tax)	75.0	16.5
Certificates of Title	59.6	245.2
Corporate Collections (Income & Franchise)	59.2	19.7
Lottery Proceeds	30.7	19.5
Riverboat Gaming Collections	16.2	3.9
Vehicle Sales Tax	11.0	2.8

The bulk of the raises are due to increases in taxes and reductions in tax credits passed by the legislator during the Regular Legislative Session of 2015. Such changes are mostly concentrated in Corporate Collections and the Individual Income Tax. However, some of the tax revenues have been yielding disappointing collections as the Fiscal Year continues to be in progress; this is especially true for Corporate Collections. The Tobacco Tax was permanently increased by 50 cents per cigarette pack (and a small increase in the tax on vapor products). The increase in the Tobacco Tax was dedicated to Medicaid funding. The Title fee on vehicles was increased significantly, which is why this item has the highest percentage increase of the table. Increases in the Excise License Tax (which is the Insurance Premium Tax) reflect an expansion of the tax base. Lottery Proceeds were higher because of legislative action – the Lottery Corporation was ordered by the legislator to transfer monies to the State General Fund. Riverboat Gaming collections exhibit a projected increase because of the new riverboat casino in the Lake Charles area. And finally, the Vehicle Sales Tax is also projected to exhibit strength in its collection.

The following table ranks the revenue sources with the largest projected annual percentage declines during Fiscal Year 2015-2016:

**Annual Revenue Decreases Greater than \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Severance Tax	-288.2	-40.7
Royalties	-106.1	-36.7
Tobacco Settlement	-27.3	-20.4

A combination of lower oil and natural gas production and substantially lower prices have significantly decreased the projection for the collection of the Severance Tax and Royalties. Tobacco Settlement revenue is projected to be lower, compared to the previous fiscal year, because in the previous fiscal year it had additional revenue from bond refinancings (which is not the case in this fiscal year).

**Revenue Summary - Fiscal Year 2016 - 2017**

The REC meeting on February 10, 2016 also revised the forecast for FY2016-2017. It projects an increase of 3.8% in the State General Fund for FY2016-2017, compared to the projection for FY2015-2016. This increase can be explained by a sharp decrease in the Statutory Dedications. The reason for this is because in Fiscal Year 2016-2017 there is (so far) no appropriation for the Higher Education Initiatives Fund, so that Dedications decrease significantly compared to the previous fiscal year.

	<b>FY 2016-2017 Forecast (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	10,399.6	13.1	0.1
Statutory Dedications	2,160.2	-314.7	-12.7
State General Fund	8,239.3	299.6	3.8

The following table shows revenue sources that are projected to increase by \$10 million or more during Fiscal Year 2016-2017:

**Annual Revenue Increases Higher than \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	88.4	3.0
Corporate Collections (Income & Franchise)	53.9	15.0
Vehicle Sales Tax	17.4	4.3
Excise License Tax (Premium Insurance Tax)	12.4	2.3
Tobacco Tax	12.0	4.9



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The projected increase in these revenues is linked to the expectation of a slow rise in economic activity, despite the challenges faced in the overall tax collection; this is particularly true for the Individual Income Tax, the Vehicle Sales Tax and the Tobacco Tax. The Excise License Tax is forecast to increase due to the final expansion of the Bayou Health program, which will entail a higher number of health insurance policies sold.

The following table ranks the revenue sources with the largest projected annual percentage declines and a \$10 million or more estimated decrease during Fiscal Year 2016-2017:

**Annual Revenue Decreases Greater or Equal to \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Severance Tax	-142.1	-33.8
Lottery Proceeds	-16.5	-8.8

Severance Tax collections are expected to decline due to a decrease in oil and natural gas production, combined with a significant weakness in their prices. Lottery Proceeds reflect a conservative outlook, given that the last two fiscal years the state saw record Lottery collections; therefore, the change in the forecast manifests a prudence that such record income may not continue in the future.

## REVENUE LOSS SUMMARY

Tax type (Listed in order of magnitude)	FYE 6-13	FYE 6-14	FYE 6-15	FYE 6-16 (projected)	FYE 6-17 (projected)
1 Sales tax	\$2,663,450,562	\$2,974,363,343	\$2,909,545,379	\$2,878,256,000	\$3,025,106,000
2 Income tax - individual	\$1,927,519,994	\$2,064,705,691	\$2,257,942,289	\$2,317,263,000	\$2,140,955,000
3 Income tax - corporation	\$1,502,153,611	\$1,674,729,820	\$2,073,497,220	\$1,394,335,000	\$1,681,962,000
4 Tax incentives and exemption contracts	\$322,907,917	\$454,079,951	\$415,393,807	\$328,855,000	\$360,377,000
5 Natural Resources - severance (Note 2)	\$462,887,099	\$292,410,195	\$378,782,651	\$250,775,000	\$242,091,000
6 Petroleum products tax	\$73,337,375	\$79,089,759	\$105,589,928	\$105,674,000	\$110,913,000
7 Tobacco tax	\$75,997,300	\$83,278,065	\$92,221,632	\$174,250,000	\$176,810,000
8 Corporation franchise tax	\$19,812,262	\$19,323,703	\$19,477,885	\$13,871,000	\$17,104,000
9 Public utilities and carriers taxes (Note 1)	\$3,196,000	\$2,962,000	\$2,831,000	\$2,900,000	\$2,900,000
10 Liquors - alcoholic beverage taxes	\$2,776,055	\$2,644,020	\$2,780,460	\$2,677,000	\$2,743,000
11 Hazardous waste disposal tax (Note 1)	\$13,700	\$19,500	\$16,800	\$20,000	\$20,000
12 Telecommunications tax (Note 1)	\$16,800	\$15,600	\$11,100	\$12,000	\$12,000
13 Inheritance tax	Negligible	***	***	***	***
14 Gift tax	Negligible	***	***	***	***
<b>Total tax revenue loss</b>	<b>\$7,054,068,675</b>	<b>\$7,647,621,647</b>	<b>\$8,258,090,151</b>	<b>\$7,468,888,000</b>	<b>\$7,760,993,000</b>

**Notes:**

1. Included on the miscellaneous tax table.
2. The FYE 6-14 revenue loss has been revised in order to reflect the correct revenue loss.

*The "Revenue Loss Summary" is published by the Department of Revenue in the Tax Exemption Budget 2015-2016, and included in the Executive Budget per R.S. 39:34D.*

(To See the complete "Tax Exemption Budget" document, please visit: <http://www.revenue.louisiana.gov/NewsAndPublications/Publications>)

GOVERNOR'S  
**EXECUTIVE BUDGET**  
FISCAL YEAR 2017-2018



**John Bel Edwards**  
Governor

Jay Dardenne  
Commissioner of Administration

# COMPARATIVE STATEMENT

## COMPARATIVE STATEMENT FISCAL YEARS 2015-2016 THROUGH 2017-2018 (Exclusive of Double Counts) (Dollars in Millions)

	ACTUAL FY 2015-2016 (1)	EXISTING AS OF 12/01/2016 FY 2016-2017 (2)	EXECUTIVE BUDGET FY 2017-2018 (3)
REVENUE			
AVAILABLE GENERAL FUND REVENUE	\$7,913.9	\$9,624.7	\$9,469.6
UNDESIGNATED GENERAL FUND CASH BALANCE	(\$117.1)	(\$313.8)	\$0.0
TRANSFER OF FUNDS (4)	\$506.2	\$0.0	\$0.0
TRANSFER OF FUNDS FROM MID-YEAR ADJUSTMENTS	\$91.7	\$0.0	\$0.0
STATE GENERAL FUND CARRYFORWARD	\$11.9	\$18.6	\$0.0
CAPITAL OUTLAY RE-APPROPRIATION	\$0.8	\$0.0	\$0.0
SELF-GENERATED REVENUE	\$2,351.1	\$2,512.0	\$2,576.6
STATUTORY DEDICATIONS	\$3,955.2	\$3,952.6	\$3,948.7
FEDERAL FUNDS	\$9,256.3	\$12,249.9	\$13,743.4
TOTAL FUNDS AVAILABLE	\$23,969.8	\$28,043.9	\$29,738.4
EXPENDITURES			
GENERAL APPROPRIATIONS BILL	\$22,204.6	\$26,326.4	\$27,684.6
ANCILLARY APPROPRIATIONS	\$107.1	\$121.0	\$121.0
NON-APPROPRIATED REQUIREMENTS	\$329.3	\$541.0	\$572.1
JUDICIAL EXPENSE	\$162.4	\$161.9	\$158.2
LEGISLATIVE EXPENSE	\$90.5	\$83.4	\$82.3
SPECIAL ACTS	\$0.0	\$0.0	\$0.0
CAPITAL OUTLAY	\$1,384.4	\$1,122.9	\$1,120.3
TOTAL EXPENDITURES	\$24,278.3	\$28,356.6	\$29,738.4
FUNDS LESS EXPENDITURES	(\$308.5)	(\$312.7)	\$0.0
OTHER TRANSFERS OUT	(\$5.3)	\$0.0	\$0.0
FUNDS LESS EXPENDITURES AFTER ADJUSTMENTS	(\$313.8)	(\$312.7)	\$0.0

- (1) The Actual FY 2015-2016 amounts reflect the Legislative Auditor reviewed revenues and expenditures made per the fiscal status summary presented to the Joint Legislative Committee on the Budget (JLCB) January 27, 2017, as required by R.S. 39:75 A.(3)(a).
- (2) The Existing Operating Budget (EOB) column for FY 2016-2017 reflects the Official Revenue Forecast from the June 30, 2016, meeting of the Revenue Estimating Conference (REC) for State General Fund.
- (3) The recommended Executive Budget column for FY 2017-2018 reflects the Official Revenue Forecast from the January 13, 2017, meeting of the Revenue Estimating Conference for State General Fund.
- (4) For FY 2015-2016, the transfers are authorized by Act 121 of the 2015 RLS and Act 601 of the 2016 RLS.

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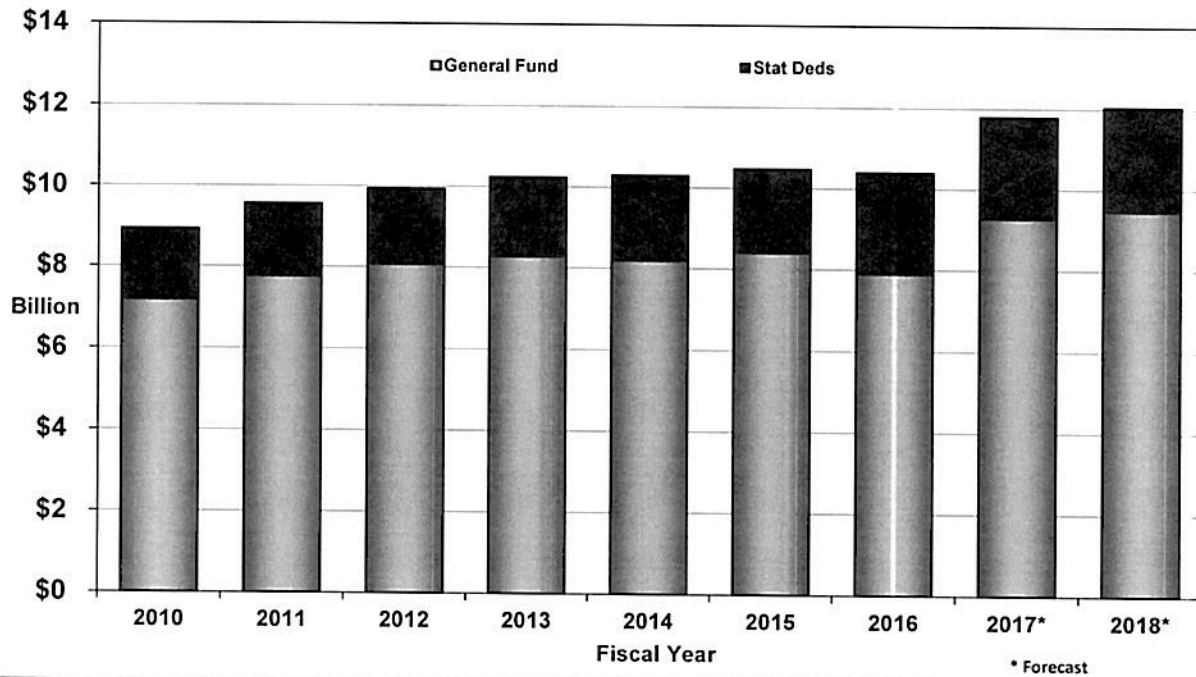
# ECONOMIC OUTLOOK

## LOUISIANA ECONOMIC FORECAST SUMMARY BY FISCAL YEAR ENDING JUNE 30

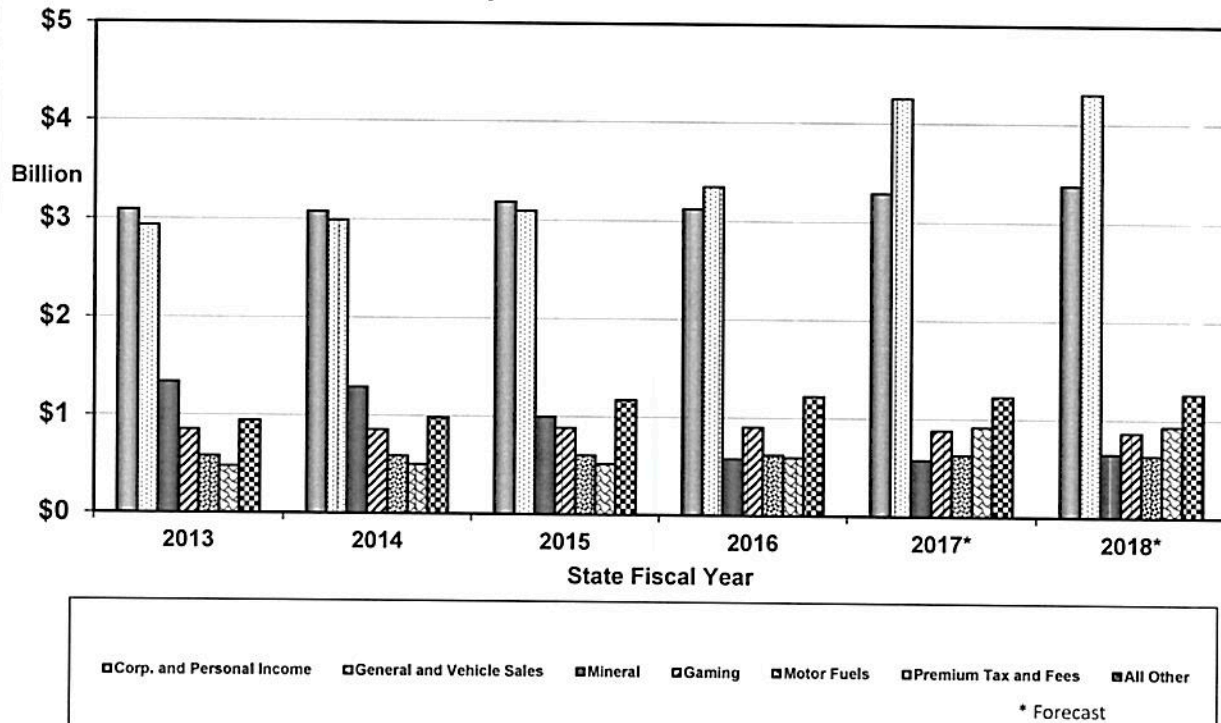
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017*	FY 2018*
<b>Macroeconomic Assumptions</b>							
Population (Thousand)	4,593.0	4,618.2	4,639.8	4,661.3	4,677.9	4,691.4	4,703.9
% Change	0.6%	0.5%	0.5%	0.5%	0.4%	0.3%	0.3%
Louisiana Non-Agricultural Employment (Thousand)	1,916.3	1,938.5	1,967.3	1,994.8	1,982.0	1,978.1	1,997.6
% Change	1.3%	1.2%	1.5%	1.4%	-0.6%	-0.2%	1.0%
National Non-Agricultural Employment (Million)	133.1	135.2	137.6	140.4	143.1	145.4	147.5
% Change	1.6%	1.6%	1.7%	2.1%	1.9%	1.6%	1.4%
Louisiana Wages and Salaries (\$ Billion)	87.6	90.2	93.1	96.8	96.8	98.7	103.4
% Change	2.7%	3.0%	3.2%	4.0%	0.0%	1.9%	4.9%
National Wages and Salaries (\$ Billion)	6,763.3	7,025.8	7,280.2	7,662.5	8,018.2	8,393.7	8,904.7
% Change	3.6%	3.9%	3.6%	5.3%	4.6%	4.7%	6.1%
Inflation (Personal Consumption Deflator - Year 2009 = 100)	105.2	106.9	108.4	109.3	110.0	111.9	114.9
% Change	2.4%	1.5%	1.4%	0.9%	0.7%	1.7%	2.7%
Annual Change in U.S. Real Gross Domestic Product	2.0%	1.5%	2.1%	2.9%	1.7%	2.2%	2.8%
<b>Mineral-Related Assumptions</b>							
Severance Crude Oil Price (\$/barrel)	109.30	105.05	103.40	76.22	44.42	48.13	51.41
% Change	27.5%	-3.9%	-1.6%	-26.3%	-41.7%	8.4%	6.8%
Oil Production (Million Barrels)	70.8	71.9	70.6	66.9	59.9	56.0	53.6
% Change	3.6%	1.6%	-1.9%	-5.2%	-10.4%	-6.6%	-4.2%
Henry Hub Natural Gas Price (\$/MCF)	3.28	3.48	4.24	3.33	2.15	3.08	3.22
% Change	-24.0%	6.1%	21.8%	-21.5%	-35.4%	43.3%	4.5%
Natural Gas Severance Rate (¢/MCF)	16.4	14.8	11.8	16.3	15.8	9.8	11.7
Natural Gas Production (Million MCF)	3,047.6	2,714.4	2,072.8	1,832.5	1,751.8	1,654.6	1,566.6
% Change	17.3%	-10.9%	-23.6%	-11.6%	-4.4%	-5.5%	-5.3%

\* Forecast

## TAXES, LICENSES AND FEES



## TAXES, LICENSES & FEES Major Revenue Sources





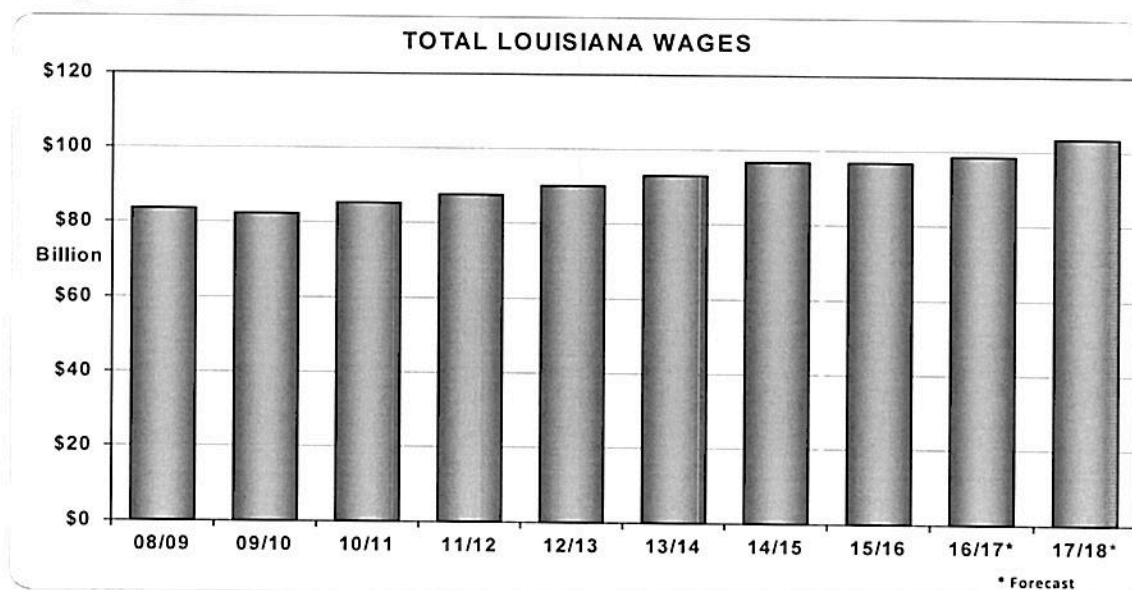
## Louisiana Employment and Wages

Over the last fiscal years since the Great Recession of 2008-2009 up to FY2014-2015, Louisiana non-farm employment had been steadily rising, in tune with national economic activity. However, this steady increase hit a bump in FY2015-2016, when the fall in the oil price per barrel had a profound effect on the Louisiana labor market. From FY2014-2015 to FY2015-2016, Louisiana shed a total of about 13,000 jobs, most of them concentrated in the oil services industry. For FY2016-2017 it is projected that the labor market will still be in recession (albeit shedding fewer jobs than the fiscal year before), with a healthy recovery for FY2017-2018.

Louisiana nominal wages had been steadily increasing with the recovery after the Great Recession. In fiscal year FY2014-2015 the increase hit 4%, a percentage not seen in the last ten years. However, as the job market entered in recession in FY2015-2016, and employment fell, nominal wages stopped increasing. For FY2016-2017 the projected increase is 1.9% and for FY2017-2018 a higher estimate is expected, 4.9%, in tune with a strong recovery expected in the job market.

Louisiana Employment (Thousands, SA)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 forecast	FY 2017-18 forecast
<b>Statewide Nonfarm Employment</b>	<b>1,967</b>	<b>1,995</b>	<b>1,982</b>	<b>1,978</b>	<b>1,997</b>
<b>Goods Producing</b>	<b>336</b>	<b>341</b>	<b>327</b>	<b>318</b>	<b>320</b>
Natural Resources & Mining	56	53	43	39	38
Construction	134	141	143	145	150
Total Manufacturing	146	147	140	134	132
<b>Service Providing</b>	<b>1,632</b>	<b>1,654</b>	<b>1,655</b>	<b>1,653</b>	<b>1,676</b>
Trade, Transportation & Utilities	386	393	393	392	395
Information	26	26	25	25	25
Financial Activities	93	93	90	91	90
Professional & Business Services	209	213	211	212	216
Education & Health Services	295	302	308	316	323
Leisure & Hospitality	217	223	229	227	229
Other Services (except Public Administration)	72	73	74	75	75
Total Government	333	328	326	323	323

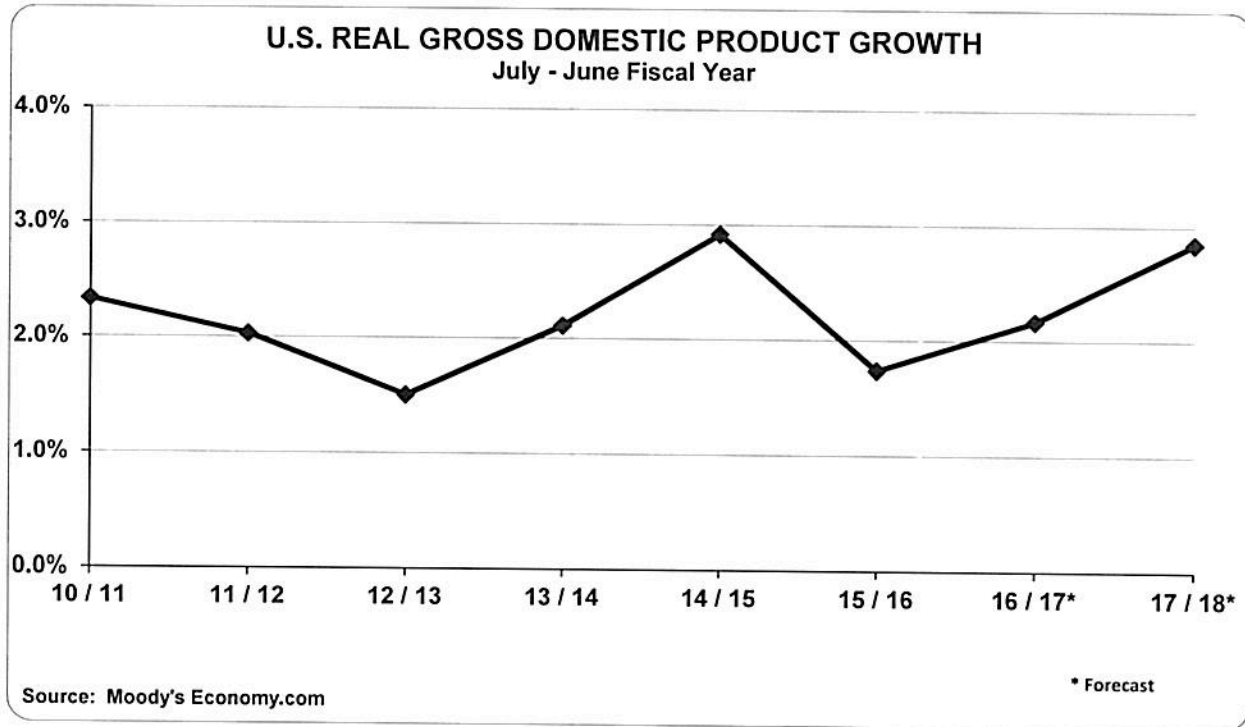
Source: Moody's Economy.com.





### U.S. Real Gross Domestic Product

The following is based upon the Moody's Economy.com data and forecast. After the Great Recession of 2008-2009, the U.S. economy expanded at a slow and steady pace. Contrary to past recoveries in other recessions, the GDP did not see high rates of growth; rather it maintained a steady pace of 2%. In FY2014-2015 growth was of 2.9%, but in FY2015-2016 it slowed to 1.7%. The projection of U.S. economic growth in FY2016-2017 is 2.2%, and for the following FY2017-2018, it is 2.8%.



### Revenue Summary - Fiscal Year 2015-2016

Unfortunately, FY2015-2016 did not see an increase in tax collections as measured by Taxes, Licenses & Fees (TLF), compared to FY2014-2015. This broad measure tracked by the Revenue Estimating Conference (REC) saw a small decrease of -0.6%. In addition, Statutory Dedications had a large increase of 21.6% (compared to the previous fiscal year), which caused State General Fund collection to fall by 6.3%. The sharp increase in Statutory Dedications was largely driven by two factors: first, the Higher Education Initiatives Fund, which was created during the 2015 Regular Session and diverted \$350 million from State General Fund into this dedication; second, the Medicaid Managed Care dedication from the Premium Insurance Tax also saw a significant increase, due to changes in coverage.

	<b>FY 2015-2016 Actual (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	10,400.4	-68.0	-0.6
Statutory Dedications	2,503.7	444.4	21.6
State General Fund	7,896.8	-534.9	-6.3

The following table displays the revenue sources that showed an increase of at least \$10 million over the prior fiscal year:

### Annual Revenue Increases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
General Sales Tax	236.8	8.8
Tobacco Tax	98.8	64.2
Excise License Tax (Premium Insurance Tax)	75.7	16.7
Titles	58.5	240.7
Lottery Proceeds	30.7	19.6
Vehicle Sales Tax	15.8	2.6
Riverboat Casino Tax Collection	14.6	3.7

The General Sales Tax saw an increase in its collection because the Legislature passed and the Governor signed an increase in the tax rate and an expansion of the tax base affected by this levy (2016 First Extraordinary Session). These increases started to be in effect by April 1, 2016 so that it influenced the last few months of FY2015-2016. The Tobacco Tax collection increased because the tax on cigarette packs was increased. The Excise License Tax collection rose due to an expansion of the Medicaid coverage. Title Fee collection climbed because fees on certain vehicles were increased by \$50 each. Lottery Proceeds is the calendar year collection for 2015, which had good jackpots, and thus, encountered a high demand for tickets. The Vehicle Sales Tax collection increased because of the same reason as the General Sales Tax – a rate increase decided by the Legislature.

The following table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during FY2015-2016:

**Annual Revenue Decreases Greater than \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Severance Tax	-278.8	-39.4
Royalties	-138.2	-47.9
Corporate Collections	-51.4	-17.1
Tobacco Settlement	-32.7	-24.4
Interest Earnings on SGF	-13.0	-43.5

Mineral Revenue declined in the previous fiscal year, mostly due to decreases in production and the remarkable fall of the oil price since July 2014. Corporate Collections decreased largely because of the same reason – many oil and natural gas related companies saw a sharp decrease in their earnings. Interest Earnings on the State General Fund decreased because of the low interest environment.

**Revenue Summary - Fiscal Year 2016 - 2017**

The Revenue Estimating Conference (REC) met January 13, 2017 and adopted a forecast for FY2016-2017 that projected an amount for Taxes, Licenses & Fees (TLF) of \$11,795.8 million; this represents an increase of \$1,395.4 million compared to the actual TLF collection of fiscal year FY2015-2016. With this Official Forecast, the State General Fund (SGF) is projected to increase by \$1,387.3 million, compared to the actual SGF collection in FY2015-2016 (a 17.6% increase). The reason, in part, for this increase in the SGF is that, for FY2016-2017, Statutory Dedications are projected to stay fairly constant (compared to the previous fiscal year), so that several tax increases enacted in various Legislative sessions will be reflected as increases in the SGF.

	<b>FY 2016-2017 Forecast (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	11,795.8	1,395.4	13.4
Statutory Dedications	2511.7	8.1	0.3
State General Fund	9,284.1	1,387.3	17.6

The following table ranks the revenue sources with the largest expected percentage growth and a \$10 million or higher increase over the prior fiscal year:

**Annual Revenue Increases Greater than \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
General Sales Tax	803.6	27.4
Excise License Tax (Premium Insurance Tax)	322.6	60.9
Corporate Collections (Income & Franchise)	163.3	65.7
Vehicle Sales Tax	106.5	25.9
Tobacco Tax	67.3	26.6
Royalties	25.9	17.2

The bulk of the raises are due to increases in taxes and reductions in tax credits passed by the legislature during the First and Second Extraordinary Legislative Sessions of 2016. Such changes are mostly concentrated in the Sales Taxes (General and Vehicle) and the Excise License Tax. During the First Extraordinary Legislative Session of 2016 the legislature passed and the Governor signed an increase of one percentage point of the General and Vehicles Sales Taxes (raising it from 4 to 5%), and, concurrently, expanding the base of the General Sales Tax (these provisions expire at the end of FY2017-2018). In that same Legislative Session, the Tobacco Tax on cigarette packs was raised by 22 cents per pack. The Excise License Tax was increased for Health Management Organizations during the Second Extraordinary Legislative Session of 2016 (in addition to increasing other fees charged to medical providers). The increase in Royalties reflects a projected increase in the oil price, given the low collection of this stream during the previous fiscal year.

The following table ranks the revenue sources with the largest projected annual percentage declines during Fiscal Year 2016-2017:

**Annual Revenue Decreases Greater than \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Certificate of Title proceeds	-55.7	-67.3
Severance Tax	-25.4	-5.9
Lottery Proceeds	-11.4	-6.1

The Certificate of Title proceeds reduction reflects a change in the assignment of a portion of such proceeds as Fees and Self-generated Revenue and not State General Fund. Projected Severance Tax collection are lower, because of a high previous projection. Lottery Proceeds are the actual collections for Calendar Year 2016, and came out to be \$11 million lower than in CY2015.

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## Revenue Summary - Fiscal Year 2017 - 2018

The REC meeting on January 13, 2017 also revised the forecast for FY2017-2018. It projects an increase of 2% in the State General Fund for FY2017-2018 compared to the projection for FY2016-2017. This increase can be explained by a projected increase in general economic activity and a slow normalization of the job market.

	FY 2017-2018 Forecast (Million \$)	Annual Change (Million \$)	Annual Change (%)
Taxes, Licenses and Fees	12,044.3	248.5	2.1
Statutory Dedications	2,574.7	63.0	2.5
State General Fund	9,469.6	185.5	2.0

The following table shows revenue sources that are projected to increase by \$10 million or more during FY2017-2018:

### Annual Revenue Increases Higher than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Severance Tax	59.1	14.6
General Sales Tax	57.0	1.5
Individual Income Tax	47.7	1.7
Corporate Collections	39.8	9.7
Excise License Tax	12.2	1.4
Royalties	12.2	6.9

The projected increases in these revenues are linked to the expectation of a slow rise in economic activity, despite the challenges faced in the overall tax collection; this is particularly true for the Individual Income Tax, Corporate Collections and the General Sales Tax. Mineral revenue (Severance and Royalties) are expected to increase because of a slow rise in oil prices.

The following table ranks the revenue sources with the largest projected annual percentage declines and a \$10 million or more estimated decrease during FY2017-2018:

### Annual Revenue Decreases Greater or Equal to \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Lottery Proceeds	-22.8	-12.9

Lottery Proceeds reflect a conservative outlook, in which no unusually big jackpots are expected, so that Lottery collections revert to a more ordinary level.

## REVENUE LOSS SUMMARY

Tax Type in order of magnitude by FYE 6-16)	(Listed	FYE 6-14	FYE 6-15	FYE 6-16	FYE 6-17 (projected)	FYE 6-18 (projected)
1 Sales Tax		\$2,974,363,344	\$2,909,545,379	\$2,673,081,614	\$2,338,093,000	\$2,381,243,000
2 Income Tax - <i>Individual</i>		\$2,026,050,295	\$2,191,000,136	\$2,129,210,307	\$2,112,103,000	\$2,147,374,000
3 Income Tax - <i>Corporation</i>		\$1,246,099,693	\$1,794,439,071	\$1,097,057,988	\$1,225,323,000	\$1,245,071,000
4 Tax Incentive and Exemption Contracts		\$428,265,262	\$400,477,643	\$436,289,715	\$602,356,000	\$584,472,000
5 Natural Resources - <i>Severance</i> <sup>2</sup>		\$293,348,194	\$379,733,938	\$195,956,452	\$170,242,000	\$170,852,000
6 Tobacco Tax		\$83,278,065	\$92,221,632	\$190,383,425	\$213,619,000	\$217,143,000
7 Petroleum Products Tax		\$79,089,759	\$105,589,928	\$96,166,529	\$101,943,000	\$103,977,000
8 Corporation Franchise Tax		\$14,719,775	\$18,667,939	\$10,224,932	\$14,672,000	\$14,964,000
9 Liquors - <i>Alcoholic Beverage Taxes</i>		\$2,644,020	\$2,780,460	\$2,848,912	\$2,959,000	\$2,929,000
10 Public Utilities and Carriers Taxes <sup>1</sup>		\$2,962,000	\$2,831,000	\$1,906,620	\$1,209,000	\$1,185,000
11 Hazardous Waste Disposal Tax <sup>1</sup>		\$19,500	\$16,800	\$16,749	\$17,000	\$17,000
12 Telecommunications Tax <sup>1</sup>		\$15,600	\$11,100	Negligible	Negligible	Negligible
<b>Total Tax Revenue Loss<sup>2</sup></b>		<b>\$7,150,855,507</b>	<b>\$7,897,315,026</b>	<b>\$6,833,143,243</b>	<b>\$6,782,536,000</b>	<b>\$6,869,227,000</b>

**Footnotes:**

1. Included on the miscellaneous tax table.

2. The FYE 6-14 revenue loss has been revised in order to reflect the correct revenue loss.

(To See the complete "Tax Exemption Budget" document, please visit <http://www.revenue.louisiana.gov/NewsAndPublications/Publications>)



## Louisiana Relative Unemployment Rates, April 2017



The chart above depicts labor force participation rates for the nation as a whole and for Louisiana<sup>3</sup>. Both the nation and the state of Louisiana have exhibited similar broad trends in labor force participation rates, with a modest downward trend beginning in the late-1990s, and accelerating distinctly as the recovery from the 2008-2009 national recession began. When the state rate stopped declining it had materially stepped down from earlier periods. As a result, the headline unemployment rate for the state was less meaningful as an indicator of the state of the labor market and the health of the economy in general than it has been in the past, as is the case with the headline unemployment rate of the nation as a whole. As the state participation rate rose distinctly during 2014, the state unemployment rate worsened through much of 2014 before beginning another downtrend during 2015. These trends reversed in late 2015 and again in 2016. Until the participation rate stabilizes, the unemployment rate will continue to be less meaningful as an economic indicator.

In addition, state level unemployment rates are less reliable than the same concept at the national level due to the relatively small sample sizes at the state level<sup>4</sup>. Their absolute level in any particular month can have considerable uncertainty associated with it. Some confidence in the state economy could be taken from the fact that, until the second half of 2014, the Louisiana unemployment rate has exhibited a consistently lower level than the South and the nation for every month since 2006. This may have reflected positive changes in the economy, the labor market, and the labor force in the aftermath of the natural disasters of hurricanes Katrina and Rita in 2005.

Relying on unemployment rates as an indicator of economic health, even in the post-storm era has its cautions though. Broader measures of unemployment evidence the weakness of the headline rate as an indicator at both the national and state levels. The broadest measure of unemployment<sup>5</sup> is reported for the nation at 8.6% as of April 2017. Being a broader measure it is always going to be higher than narrower measures. However, what is significant is that this current rate is still about 5% higher than its low point of 8.2% for 2006 before the 08/09 recession; although this gap has been steadily closing. At the state level, this broad measure is reported on a 4-quarter moving average basis in order to increase its reliability. For the annual period ending in March of 2017, the latest data available to date, the broad rate reported for Louisiana was 10.5%; a broad state rate that is still some 46% higher than the average for 2007 of 7.2%, the pre-recession low point for Louisiana. Unfortunately, this gap is closing only very slowly.

Until late-2014, the state's headline unemployment rate had been indicating that the state has experienced a strong economic recovery relative to the South and the nation as a whole. However, the unemployment rate as an indicator of economic conditions is fairly unreliable at the state level in general and has become less reliable in this recovery. Its relative position over much of this period appeared to be telling us that the Louisiana economy was markedly different since the hurricanes of 2005. However, since mid-2014, and the sustained drop-off in oil and natural gas prices, the state unemployment rate has returned to its historical position of a higher rate than the South and the nation as whole. While the unemployment rate has been declining since about mid-2016, so has the participation rate. The combination of the two metrics is still not telling as encouraging a story as just the headline unemployment rate itself is suggesting.

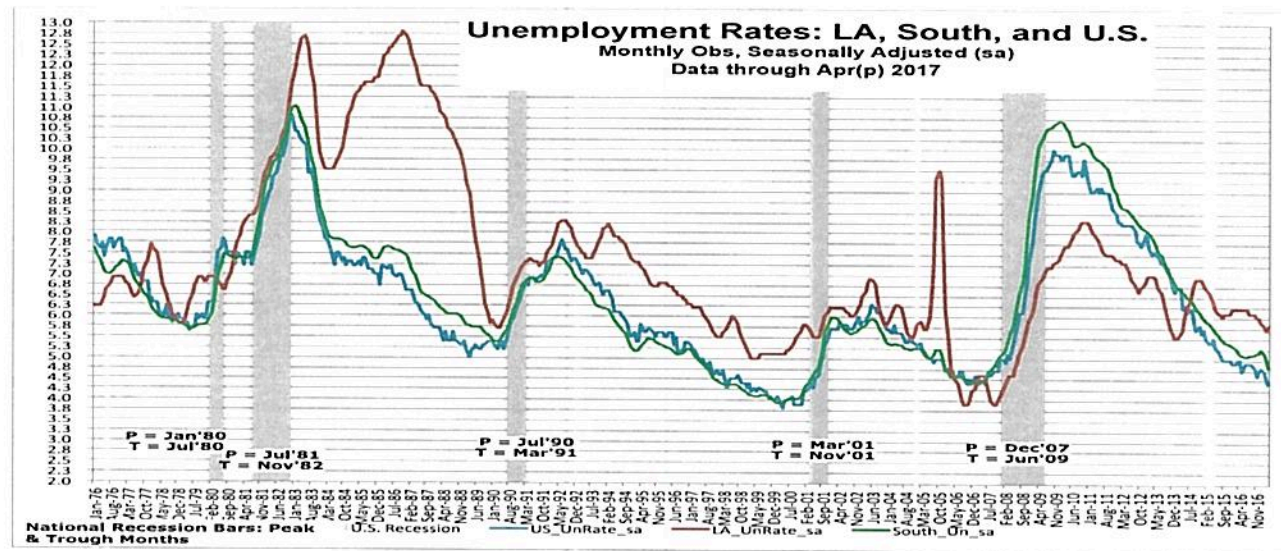
<sup>3</sup> Monthly participation rates are estimated by Moody's Analytics based on the household employment survey of the Bureau of Labor Statistics of the U.S. Department of Labor.

<sup>4</sup> Other data and statistical modeling are combined with survey data to arrive at the monthly reported state rates.

<sup>5</sup> The broadest measure of unemployment is referred to as U6, and is calculated as the total number of unemployed in the traditional measure (called U3) plus all marginally attached workers, plus total employed part-time for economic reasons (they would rather have a full-time job), all as a percent of the civilian labor force plus all marginally attached workers.



## Louisiana Relative Unemployment Rates, April 2017



One of the most referenced metrics of economic performance at the both the national and state levels is the unemployment rate. This metric is the ratio of individuals reporting that they are unemployed but seeking employment to the number of individuals in the civilian labor force, both employed and seeking employment. The chart above displays a long-term historical record of the unemployment rate for Louisiana, the South<sup>1</sup>, and the national economy as a whole. National recessions are depicted by the gray columns with peak (P) and trough (T) months designated for each. While the performance of Louisiana in the early years of the most recent national economic recovery was quite good relative to the South and the nation as a whole, for all practical purposes this performance was entirely a phenomenon of the post-hurricane Katrina & Rita period, beginning immediately after the storms and continuing into mid-2014. This performance is not completely disconnected from the overall economic business cycle, though, as evidenced by the sharp rise associated with the 2008-2009 national recession and fairly steady decline through 2013 as the economic recovery took hold in Louisiana around the start of 2010.

Prior to the post-Katrina/Rita period the Louisiana unemployment rate had essentially always exceeded the rates for the South and the nation, while generally following the national business cycle in a comparable fashion. Two standout exceptions to this pattern are easily identified in the chart above. The first is the mid-1980s oil bust when the state rate rose sharply and stayed far above the rates of the South and the nation as we experienced our own oil-based recession while falling energy prices benefited the rest of the nation; reflected in falling unemployment rates. The second is the spike up in the state rate in the immediate aftermath of hurricanes Katrina & Rita in 2005. For much of the time since then the state rate was lower than the South and the nation even as all three rates rose during the national recession and fell during the national recovery.

While the State's unemployment rate was considerably lower than that of the South and the nation as a whole for much of the post-Katrina/Rita period, the headline concept itself has become less meaningful as an indicator of the state of the labor market and the health of the economy in general than it has been in the past. During much of the recovery, beginning in late 2009 (U.S.) and early 2010 (LA) labor force participation exhibited a distinct decline, contributing to the decline in the headline unemployment rate<sup>2</sup>. The declining unemployment rate was influenced by the fact that unemployed individuals ceased even looking for work rather than because unemployed individuals were able to find employment.

The State's headline unemployment rate climbed sharply through much of 2014. However, this may not have reflected labor market weakness so much as a sharp upturn in state labor force participation (shown on the following graph) as people re-entered the job market expecting to find employment. This is often considered a sign of increasing optimism concerning the job market and economy in general. However, these jobseekers may not have found employment as the economy weakened in 2015, even though the state unemployment rate continued to fall in 2015, because the state labor force participation rate fell through much of 2015. The state unemployment rate began rising in 2014 and has remained elevated and higher than that of the South or the U.S. since then as lower oil prices have persisted and worked their way through the state economy. This difficult labor market was ameliorated somewhat at first by a participation rate that also bumped up somewhat in late 2014, but which has since fallen, exacerbating the headline unemployment rate. The rate has fallen since about mid-2016, but so has the participation rate.

<sup>1</sup> Here the south constitutes the U.S. Department of Labor, Bureau of Labor Statistics southeast region of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, plus the states of Arkansas and Louisiana.

<sup>2</sup> For any given number of individuals that leave the labor force, a greater proportional reduction to the number of unemployed occurs (the numerator) than the proportional reduction that occurs to the number of labor force participants (the denominator). Thus, the unemployment rate ratio declines.