Regular Session, 2013

HOUSE CONCURRENT RESOLUTION NO. 51

BY REPRESENTATIVES BARROW, BURRELL, COX, DIXON, EDWARDS, FRANKLIN, HARRISON, HUNTER, KATRINA JACKSON, JAMES, NORTON, RITCHIE, SMITH, AND ALFRED WILLIAMS AND SENATOR BROOME

HOSPITALS/CHARITY: Directs DOA, DHH, and LSU to cease all efforts to privatize state hospitals immediately

1	A CONCURRENT RESOLUTION
2	To direct the division of administration, the Department of Health and Hospitals, and the
3	Board of Supervisors of Louisiana State University and Agricultural and Mechanical
4	College to cease efforts to privatize state hospitals immediately.
5	WHEREAS, a sudden reduction in federal funding for the Louisiana Medicaid
6	program was included in a sweeping transportation bill passed by congress and signed into
7	law on July 6, 2012, and resulted in a net decrease of over eight hundred fifty million dollars
8	in the Medicaid budget for the present state fiscal year; and
9	WHEREAS, pursuant to this dramatic cut to Medicaid funding, the Department of
10	Health and Hospitals, hereafter referred to as "department", announced a decision on July
11	13, 2012, to address the shortfall by eliminating nearly all funding for state hospitals
12	operated by Louisiana State University and Agricultural and Mechanical College, hereafter
13	referred to as "LSU", rather than spread the cuts, to any extent possible, more evenly
14	throughout the Medicaid program; and
15	WHEREAS, since that time, the department has led development of a privatization
16	effort in which public-private partnerships have been proposed for delivery of health services
17	at LSU hospital facilities by private health care enterprises, with the terms and conditions
18	for such service delivery to be set forth in potential cooperative endeavor agreements
19	between the state and private providers; and

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- 1 WHEREAS, the overall privatization plan is being implemented in a manner which 2 entirely precludes any legislative involvement or oversight, and negotiations for the 3 prospective cooperative endeavor agreements, in which critical matters of public finance and 4 public health policy will presumably be determined, are being conducted in secret; and 5 WHEREAS, as of the date of filing of this Resolution, no such agreements have 6 materialized except for one involving the Earl K. Long Medical Center in Baton Rouge and 7 Our Lady of the Lake Regional Medical Center, hereafter referred to as "OLOL"; and 8 WHEREAS, despite the Earl K. Long/OLOL cooperative endeavor agreement having 9 been conceived prior to 2009, executed in February of 2010, and amended multiple times 10 since then, the state has been unable to resolve numerous shortcomings in the agreement; 11 and 12 WHEREAS, prominent among these shortcomings are inadequate provisions for 13 access to women's health care and insufficient planning for administration of primary care 14 clinics, with the latter deficiency continuing to prevent the state from securing necessary 15 federal approval and vital funding for the system of clinics; and 16 WHEREAS, it should be of grave concern to the legislature that the flawed Earl K. 17 Long/OLOL cooperative endeavor agreement, with its gaps in care and unresolved federal 18 financing issues, having been executed over three years ago and in development for a period 19 of years prior to that, is being held out as the model for other agreements to be developed 20 by the state under duress and in less than a year; and 21 WHEREAS, the best financial incentive that the state can offer to induce private 22 enterprises to provide care for Medicaid recipients and the uninsured appears to be a tenuous 23 Medicaid upper payment limit funding scheme which hinges on potential advance lease 24 payments which might be made by private providers to the state, which is arguably far less 25 sustainable than the Medicaid disproportionate share hospital funding system which the state 26 had been using to finance the LSU hospitals; and 27 WHEREAS, in terms of economic theory, the faltering hospital privatization effort 28 has become the very definition of a "moral hazard", and should be terminated as soon as 29 possible so that the citizens of Louisiana may have an opportunity, through their legislature,
- 30 for some measure of involvement in a sensible reform of this state's health care system.

1 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby

- 2 direct the division of administration, the Department of Health and Hospitals, and the Board
- 3 of Supervisors of Louisiana State University and Agricultural and Mechanical College to
- 4 cease all efforts to privatize state hospitals immediately.
- 5 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
- 6 office of the governor, the commissioner of administration, the secretary of the Department

7 of Health and Hospitals, and the chairman of the Board of Supervisors of Louisiana State

8 University and Agricultural and Mechanical College.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Barrow

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