

Regular Session, 2013

HOUSE CONCURRENT RESOLUTION NO. 139

BY REPRESENTATIVES BARROW, BADON, BROWN, BURRELL, COX, DIXON, HONORE, HUNTER, KATRINA JACKSON, JAMES, JOHNSON, TERRY LANDRY, ORTEGO, RITCHIE, SMITH, AND PATRICK WILLIAMS AND SENATOR BROOME

A CONCURRENT RESOLUTION

To direct the division of administration, the Department of Health and Hospitals, and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to make annual reports to the legislature concerning operation and management of state hospitals by private entities.

WHEREAS, a drastic reduction in federal funding for the Louisiana Medicaid program was included in a sweeping transportation bill passed by congress and signed into law on July 6, 2012, and resulted in a net decrease of over eight hundred fifty million dollars in the state's Medicaid budget enacted on June 14, 2012, for the present state fiscal year; and

WHEREAS, pursuant to this dramatic cut to Medicaid funding, the Department of Health and Hospitals, hereafter referred to as "department", announced a decision on July 13, 2012, to address the shortfall by eliminating nearly all funding for state hospitals operated by Louisiana State University and Agricultural and Mechanical College, hereafter referred to as "LSU", rather than spread the cuts more evenly throughout the Medicaid program; and

WHEREAS, since that time, the department has led development of a privatization effort in which public-private partnerships have been proposed for delivery of health services at LSU hospital facilities by private health care enterprises, with the terms and conditions for such service delivery to be set forth in cooperative endeavor agreements between the state and private providers; and

WHEREAS, negotiations for the prospective cooperative endeavor agreements, in which critical matters of public finance and public health policy will presumably be determined, are being conducted in secret; and

WHEREAS, the forerunner of privatization agreements of this type was one involving the Earl K. Long Medical Center in Baton Rouge and Our Lady of the Lake Regional Medical Center, hereafter referred to as "OLOL"; and

WHEREAS, despite the Earl K. Long/OLOL cooperative endeavor agreement having been conceived prior to 2009, executed in February of 2010, and amended multiple times since then, the state has been unable to resolve numerous shortcomings in the transfer of vital health care services to a private operator; and

WHEREAS, as evidenced by the final passage of House Bill No. 1493 of the 2010 Regular Session, the Legislature of Louisiana intends that the state parties to privatization of a public hospital should undertake an open, earnest, and transparent effort to report to the legislature on the fiscal and public health consequences of hospital privatization; and

WHEREAS, because the current statewide effort to privatize all but one of LSU's ten hospitals is being implemented in a manner which entirely precludes any legislative oversight or approval, the purpose of this Resolution is to require key data to be reported annually to the legislature so that this branch of government may be fully informed and better able to fulfill essential responsibilities for public finance and public health policy to which it has been entrusted by the people of this state.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby direct the division of administration, the Department of Health and Hospitals, and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, acting jointly, to develop and submit a report to the House and Senate committees on health and welfare and to the Joint Legislative Committee on the Budget no later than thirty days prior to the convening of the 2014 Regular Session of the Legislature of Louisiana, and annually thereafter, concerning the operation of state hospitals by private providers.

BE IT FURTHER RESOLVED that the report shall include, at minimum, the following information for each state hospital operated by a private provider:

(1) A detailed account of the net costs or savings associated with the privatization of hospital operations.

(2) A recapitulation of the measures reported to the Centers for Medicare and Medicaid Services through the Hospital Compare program, including Hospital Outcome of

Care measures, Hospital Process of Care measures, and Survey of Patients' Hospital Experiences measures.

(3) A comparison of employment information for the hospital prior to and subsequent to privatization, including the number of employees terminated and the number subsequently rehired; the average compensation, including wages, benefits, and retirement contributions, for hospital employees prior to and subsequent to privatization; a comparison of average compensation of employees terminated and subsequently rehired pursuant to privatization; and a comparison of the number of credentialed personnel employed at the hospital by professional category, including but not limited to physicians, allied health professionals, registered nurses, and licensed practical nurses, prior to and subsequent to privatization.

(4) A comparison of actual costs to the state of delivering hospital services through the private provider with the best estimate of costs to the state of delivering the same level of services directly, including but not limited to per diem costs for inpatient care. This analysis shall include capital costs whether or not such costs are reflected in the cooperative endeavor agreement or elsewhere in the state budget.

(5) Measures of accessibility of health care services at the hospital by medically needy patients prior to and subsequent to privatization, along with recommendations for mitigating or eliminating any barriers to health care access which medically needy persons experience.

(6) Evaluation of overall health outcomes and quality of care for medically needy patients in the catchment area of the hospital prior to and subsequent to privatization, along with recommendations for policy changes to improve such outcomes and quality of care. Measurements on which the authors of the report base the evaluation shall be derived from a metric which is generally accepted by public and private health care providers such as the Healthcare Effectiveness Data and Information Set (HEDIS).

(7) If obstetrics, gynecology, contraception, or other health services for women are not offered by the private provider operating a state hospital, then the report shall address means by which the state provides for access to health services for women in the catchment area of the hospital.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the office of the governor, the commissioner of administration, the secretary of the Department of Health and Hospitals, and the chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE