

Jefferson EDGE 2020 **HOSPITALS** Status Report 3: October 2010

Prepared by JEDCO and GCR & Associates, Inc.

JEDCO
Jefferson Parish Economic Development Commission



Hospitals

In response to concerns about quality of life in Jefferson Parish and its impact upon the community's economic competitiveness, JEDCO initiated the Jefferson Edge 2020 Quality of Life initiative. This initiative has produced eight "strategic implementation plans" which include a series of action items to address particular quality of life issues. Implementing the action items requires the total cooperation and keen interest of all involved, including JEDCO, the Jefferson Parish government, numerous other entities, and frequently State and Federal agencies. In 2008, JEDCO retained GCR & Associates, Inc. to prepare semiannual reports outlining the status of each of these action items and overall progress toward implementation.

The following table summarizes the progress made toward each of the health care (H) action items.

H = Hospitals

Action ID #	Action Item	Progress as of August 2010		
		Action Item Complete	Substantial Progress	Little/No Progress
H1	Advocate for direct financial assistance from the federal government to assist hospitals in the New Orleans region			
H2	Work closely with the federal Department of Health and Human Services to implement updated Medicare reimbursement schedule			
H3	Coordinate with Parish hospitals to increase enrollment in Medicaid and to ensure that Medicaid reimbursement rates are equitable and up to date.			
H4	Work with the State's Department of Health and Hospitals to establish a "certificate of need" program for specialty hospitals			
H5	Work with the LSU Hospital system to chart a mutually beneficial direction for the planned new hospital in downtown New Orleans			
H6	Seek closer collaborations among the service district hospitals, Parish government, and the state to reduce operating costs and increase revenue			
H7	Aggressively advocate for the funding and implementation of the COLLAH report pertaining to uninsured coverage	No longer applicable.		
H8	Adopt and implement a "healthy communities" component of the Envision Jefferson 2020 Comprehensive Plan			
H9	Advocate for the continued dedication of traffic camera revenue to the service district hospitals in order to secure federal Medicaid matching funds	No longer applicable.		

Hospitals

						Progress as of August 2010		
Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Action Item Complete	Substantial Progress	Little/No Progress	
H1	Advocate for direct financial assistance from the federal government to assist hospitals in the New Orleans region	Secure Funding in 2008-2009	Action complete. For more information, refer to October, 2009 status update.	No further action required				
H2	Work closely with the federal Department of Health and Human Services to implement updated Medicare reimbursement schedule	Implement new schedule in 2008-2009	At the request of state Senator Heitmeier, the state Department of Health and Hospitals is assessing what the Medicaid reimbursement rates would be if updated cost report data were utilized—data that would designate East and West Jefferson hospitals as “teaching hospitals.” The findings of this inquiry have not yet been made available, but a change in reimbursement rates would mean a more equitable level of compensation for the service district hospitals.	Monitor the results of Health and Hospital study on reimbursement rates and continue to push for higher Medicaid rates.				
H3	Coordinate with Parish hospitals to increase enrollment in Medicaid and to ensure that Medicaid reimbursement rates are equitable and up to date.	Complete program design in 2009-2010; implement program in 2010-2011	The Medicaid program has undergone a dramatic overhaul as a result of federal health care reform, which was signed into law in the spring of 2010. The new law, for instance, would dramatically expand Medicaid eligibility. However, final rulemaking has yet to be published in the federal register. The final rules, following public comment, should be published in mid-summer of 2011. In the meantime, East Jefferson and West Jefferson are already in the process of enrolling individuals who were not previously enrolled in Medicaid.	Monitor federal rulemaking pertaining to expanded Medicaid eligibility under the new health reform law. Determine whether existing practices are adequate to maximize enrollment of and reimbursement from Medicaid patients.				
H4	Work with the State's Department of Health and Hospitals to establish a “certificate of need” program for specialty hospitals	Complete program design in 2010; pass legislation in 2010-2011	Currently, a large specialty hospital is being built in Metairie that underscores the challenges facing full service hospitals to retain paying patients. At the state level, there has been no appetite for any measures that would limit the spread of specialty hospitals. At the local level, zoning regulations could preclude this kind of development, but such regulations have not found a sponsor on the Parish Council.	Determine the need for or interest in local zoning regulations to restrict the proliferation of specialty hospitals. Identify a potential sponsor for such a measure on the Parish Council.				

Hospitals

Progress as of August 2010

Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Action Item Complete	Substantial Progress	Little/No Progress
H5	Work with the LSU Hospital system to chart a mutually beneficial direction for the planned new hospital in downtown New Orleans	Conduct forums in 2009	JEDCO has issued a cautious letter of support behind the planned LSU Hospital, although there are concerns that the new hospital could siphon paying patients away from hospitals in Jefferson Parish. This is the concern that motivated this action item. To date, very little that pertains to the planned LSU hospital has been discussed in an open forum, and the JEDCO hospitals strikeforce has expressed skepticism that it is in a position to significantly affect the outcome of the project in any meaningful way. Thus, for the foreseeable future the strikeforce will continue to monitor progress on the LSU hospital and keep health care stakeholders in Jefferson informed.	Continue to monitor progress and any programmatic details regarding the planned LSU Hospital. Communicate updates to health care stakeholders in Jefferson Parish.			
H6	Seek closer collaborations among the service district hospitals, Parish government, and the state to reduce operating costs and increase revenue	Secure board approval for closer collaboration in 2009; council action on costs and revenues in 2009-2010; legislative action on disproportionate share funds in 2010	Before coordination can begin in earnest between the two hospitals via the combined "Service District #3" board, a "certificate of public advantage" must be approved by the state attorney general. The purpose of the certificate of public advantage is to address/satisfy anti-trust concerns. After the certificate is finalized, both hospitals will be able to explore opportunities for coordination. The certificate of public advantage is currently being finalized by the attorney working on the matter. It should be finished and submitted to the state attorney general within a matter of weeks from the writing of this report.	Monitor the status of the certificate of public advantage application. Begin to explore opportunities for coordination once the certificate has been approved.			
H7	Aggressively advocate for the funding and implementation of the COLLAH report pertaining to uninsured coverage	Obtain legislative approval in 2010-2011	The COLLAH plan to extend insurance to Louisiana's uninsured has been superseded by the passage of federal health care reform legislation. While controversial, the legislation does aim to satisfy a fundamental goal of the COLLAH plan—to extend insurance to many of Louisiana's uninsured—through the expansion of Medicaid and through incentives to carry private insurance.	No further action required.	<i>No longer applicable and removed from hospitals action items</i>		

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Progress as of August 2010							
Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Action Item Complete	Substantial Progress	Little/No Progress
H8	Adopt and implement a "healthy communities" component of the Envision Jefferson 2020 Comprehensive Plan	Secure funding in 2009-2010; complete plan in 2010-2011	In July, JEDCO was notified of a small grant program through a New Orleans-based foundation, the Crescent Fund, in support of nonprofit initiatives in a variety of areas. Through Forward Jefferson, a Jefferson-based 501c3 and an affiliate of JEDCO, JEDCO submitted a letter of interest for an \$8,000 grant for a healthy communities plan. Unfortunately, the letter of interest did not advance to the full application stage.	Continue to search for additional external funding sources. Approach the Parish Council, Administration, and potential donors for resources to complete this plan.			
H9	Advocate for the continued dedication of traffic camera revenue to the service district hospitals in order to secure federal Medicaid matching funds	Secure a commitment for the continued dedication of traffic camera revenues in 2009-2010. Finalize the mechanism for a local/federal cost share in 2009-2010	The traffic cameras in Jefferson Parish are no longer in use. Therefore, there will no longer be this supplemental funding source. As a result, this action item is being tabled indefinitely. The budget outlook at both the state and local levels is not favorable, making it unlikely that the Parish would find another revenue source for Medicaid matching funds	<p>A one time distribution from traffic camera revenues (that are the subject of on-going litigation) is possible. Monitor ongoing litigation, and attempt to secure a portion of the one-time payment for local hospitals.</p> <p>Work with the Parish Council to identify a potential revenue source to replace traffic camera revenues in order to secure Medicaid funding.</p>	<p><i>No longer applicable. The Parish will not be collecting revenues from traffic cameras. Alternative revenue sources will be investigated, however.</i></p>		



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