

Jefferson EDGE 2020 **HOSPITALS** Status Report 2: October, 2009

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 October 2009		
		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 Medicaid reimbursement schedule			
H3	Coordinate with Parish hospitals to increase enrollment in Medicaid			
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H7	Aggressively advocate for the funding and implementation of the COLLAH report pertaining to uninsured coverage	No longer applicable.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			

Hospitals

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H1	Advocate for direct financial assistance from the federal government to assist hospitals in the New Orleans region	Secure Funding in 2008-2009	In January 2009, Congress approved the allocation of \$170 million in supplemental Social Services Block Grant (SSBG) funding from the Department of Health and Human Services to Louisiana hospitals that have suffered financially since Hurricanes Katrina and Rita. West Jefferson is slated to receive \$14 million, Ochsner \$48 million, and East Jefferson \$28 million. Hospitals have received the first two of four SSBG payments. This action item is marked as complete, as the commitment of funds has been secured and payment is underway.	Monitor the disbursement of funds to ensure that there is no deviation from the payment schedule and amount. The hospitals strike force does not anticipate any problems in the disbursement of the final two SSBG payments.				
H2	Work closely with the federal Department of Health and Human Services to implement updated Medicaid reimbursement schedule	Implement new schedule in 2008-2009	Originally, this action item addressed Medicare reimbursement rates that did not reflect the post-Katrina increases in insurance, labor, and overall operating costs. However, consideration of Medicare reimbursement rates has been tabled due to the pending federal health care legislation which could substantially affect Medicare coverage and rates throughout the country. Instead, the focus of the strike force has shifted to Medicaid reimbursement rates. The current rates are based on older data that pre-date the hospitals' designation as teaching hospitals—a designation that results in higher Medicaid reimbursement rates. At the request of state Senator Heitmeier, the state Department of Health & Hospitals is assessing what the Medicaid reimbursement rates would be if updated cost report data were utilized. The findings of this inquiry could be the first step toward higher, more equitable Medicaid rates for the public hospitals. <i>Note: The language of this action item has been modified somewhat.</i>	Await the results of the Health and Hospitals study on Medicaid reimbursement rates and advocate for updated, more equitable rates for Jefferson's public hospitals.				
H3	Coordinate with Parish hospitals to increase enrollment in Medicaid.	Complete program design in 2009-2010; implement program in 2010-2011	While there has been no statewide momentum to create a program to increase Medicaid enrollment, Jefferson Parish hospitals are already working to enroll lower income individuals who may qualify for Medicaid when they seek medical care through the emergency room or other channels.	Confirm that procedures are in place at local hospitals to increase enrollment in Medicaid for those who may be eligible but who are currently not enrolled in the program.				

Hospitals

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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	<p>The hospitals strike force broached this action item with the CEO of the Metropolitan Hospital Council, who is also an Executive Vice President with the Louisiana Hospital Association (LHA). It is the opinion of LHA that this action item is completely politically infeasible at this time as there is no support in the state legislature and in the governor's office.</p> <p>However, a number of alternative measures are being considered by the hospitals strike force that would similarly discourage the "skimming" of privately insured patients from full service hospitals.</p> <p>One potential measure would be a state level requirement that all new hospitals have a full service emergency room. Another potential measure is to enact local zoning regulations that would place certain requirements on new hospitals to ensure that they operate as full service rather than boutique or specialty hospitals.</p>	At both the state and local level, work with lawmakers to create new regulations and performance standards to prevent new specialty hospitals from skimming insured patients away from full service hospitals.			
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	Thus far, there has been no formal mechanism for outreach to LSU regarding the construction of the proposed new hospital in Mid-City New Orleans. The aim of this action item is simply to improve the dialog and information sharing between LSU and the hospitals in Jefferson Parish. The hospitals strike force has volunteered to reach out to the LSU administration to schedule a meeting for asking questions and sharing concerns.	Schedule a meeting between the hospitals strike force and key LSU administrators to initiate a dialog about the proposed new LSU hospital.			
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	Many of the legal barriers to closer coordination between the service district hospitals are currently being addressed. The Parish Council recently passed an ordinance to create "Service District #3"—a new board that would coordinate activities between the two existing hospital service districts (i.e. East Jefferson and West Jefferson). The first meeting of Service District #3 was in October. Before coordination can begin between the two hospitals, a "certificate of public advantage" must be approved by the state attorney general to address/satisfy anti-trust concerns. After the certificate is finalized, both hospitals will be able to explore opportunities for coordination and creating greater economies of scale.	Monitor the progress of the certificate of public advantage process. Work with Service District #3 and the two service district hospitals to identify and facilitate opportunities for cooperation and cost savings.			

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H7	Aggressively advocate for the funding and implementation of the COLLAH report pertaining to uninsured coverage	Obtain legislative approval in 2010-2011	<p>According to the hospitals strike force, the COLLAH plan is essentially in a state of suspension due to the pending federal health care legislation. While multiple variations of the federal reform are currently being debated, the final legislation would likely supersede the aims of the COLLAH report—i.e. extending insurance to a significant number of uninsured Louisianians.</p> <p>Because of the scale of the pending federal legislation, this item is being removed from the hospitals list of action items. Should there not be an expansion of coverage to the uninsured through federal means, the strike force will revisit the COLLAH report at a later date.</p>	Monitor progress on federal health care reform legislation.	Not applicable at this time and removed from hospitals action items.			
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	<p>In March, representatives from JEDCO, the Jefferson Parish Planning Department, and the Jefferson Parish Office of Community Development met to discuss potential funding sources. Possible funding sources identified include: the Environmental Protection Agency's (EPA) Smart Growth initiatives program, Community Service Block Grants (CSBG), and the Regional Planning Commission (RPC). No substantial action has yet been taken to pursue any of these potential funding sources.</p> <p>More urgently, \$120 million in ARRA (Stimulus) funding through the Department of Health & Human Services' Communities Putting Prevention to Work program will be made available this fall. According to the Louisiana Public Health Institute (LPHI), the deadline for the grant application is late November, 2009. LPHI believes that this grant program could fund a "healthy communities" plan for Jefferson Parish.</p> <p>An additional program that is underway is a cooperative agreement between Ochsner and Jefferson Parish Public Schools whereby Ochsner provides wellness services to JPPS students at a number of schools. This program could potentially be highlighted and expanded through a healthy communities plan.</p>	Immediately coordinate with LPHI to explore and advance grant application for stimulus funding. Continue to investigate alternative funding sources to fund the preparation of a healthy communities plan.				

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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	<p>This action item was not included in the original EDGE 2020 Hospitals plan, but the strike force has chosen to add this item because of changing local circumstances. There is the perception that the traffic camera funds that have been directed to the hospitals are currently in jeopardy because of local budgetary challenges. The strike force is aware of this possibility and will be advocating the Parish President and Council to preserve this funding for the hospitals.</p> <p>Additionally, state legislation was passed in 2009 to allow parishes to receive federal Medicaid funds directly through an Intergovernmental Transfers (IGT) program. Through a cooperative endeavor agreement with the state, parishes can now receive a 3 to 1 federal funding match. This plan is pending federal approval from the federal Centers for Medicare & Medicaid Services (CMS). If the IGT plan is approved by the federal government, though, the Parish must provide local resources to secure the federal funds. Thus, securing the traffic camera funding for the hospitals is critical as is determining the specific mechanism by which local funds are designated for the IGT program.</p>	Advocate to the Parish President and Council for the preservation of traffic camera funds for the public hospitals. Continue to investigate the mechanism by which local funds are committed to the IGT program. Monitor CMS review of Louisiana's IGT plan.			