

# Jefferson EDGE 2020

# HOSPITALS & HEALTH CARE

## Status Report 4: July 2011

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Prepared by JEDCO and GCR & Associates, Inc.

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**JEDCO**  
Jefferson Parish Economic Development Commission



## Hospitals and Health Care

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 and Health Care

Progress as of July 2011				
Action ID #	Action Item	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			
H4	Work with the State's Department of Health and Hospitals to establish a "certificate of need" program for specialty hospitals	Action item tabled at this time.		
H5	Work with the LSU Hospital system to chart a mutually beneficial direction for the planned new hospital in downtown New Orleans	No longer applicable.		
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H7	Aggressively advocate for the funding and implementation of the COLLAH report pertaining to uninsured coverage	No longer applicable.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 and Health Care

						Progress as of July 2011		
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	<p>At the request of state Senator Heitmeier, the state Department of Health and Hospitals was tasked with assessing whether East and West Jefferson hospitals could be designated as "teaching hospitals" and therefore whether they may be eligible for higher Medicaid reimbursement rates.</p> <p>While the results of this inquiry were not clear as of the writing of this report, the State has adopted a number of other policies, through the assistance of Senator Heitmeier that have resulted in additional Medicaid funds. Through the Upper Payment Limit (UPL) program, state and local health care dollars are freed up (as a result of agreements with private hospitals to provide care to indigent patients) to be used as a match for additional federal funding, resulting in over \$110 million to participating hospitals to date.</p>	Determine whether the UPL program is the only feasible avenue for increasing federal funding to Louisiana hospitals. Also, determine whether East Jefferson and West Jefferson could qualify as teaching hospitals. Finally, in the aftermath of the federal Affordable Care Act, ensure that DHH has a plan in place to adequately fund reimbursement rates for dramatically expanded Medicaid patient rolls.				

## Hospitals and Health Care

Progress as of July 2011								
Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Action Item Complete	Substantial Progress	Little/No Progress	
H3	Coordinate with Parish hospitals to increase enrollment in Medicaid	Complete program design in 2009-2010; implement program in 2010-2011	<p>The federal-state Medicaid program is in the midst of a dramatic overhaul as a result of both federal and state led initiatives. As a result of the federal Affordable Care Act (ACA), Medicaid eligibility will be dramatically expanded in the coming years. The implications for eligibility and reimbursement rates are not yet clear, though, as final rulemaking on the changes is expected to be published in the summer of 2011.</p> <p>At the state level, Louisiana is moving in the direction of many other states in terms of health care delivery by privatizing Medicaid for approximately 2/3 of the state's current 1.2 million Medicaid recipients.</p> <p>Local hospitals currently have procedures in place for helping those who are Medicaid eligible to receive Medicaid coverage, but these practices may have to be re-evaluated in light of the move to a private delivery system and the expansion of Medicaid eligibility as a result of ACA.</p>	<p>Monitor federal rulemaking pertaining to expanded Medicaid eligibility under the Affordable Care Act (ACA). Also, monitor the implications of the State's move toward privatizing Medicaid from the standpoint of reimbursement rates and the timeliness of payments to providers.</p> <p>Also, coordinate with DHH and conduct internal reviews to insure that adequate funding and staffing are in place to accommodate the expected increase in Medicaid patients.</p>				
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	At the state level, there is no legislative appetite for any measures that would limit the spread of specialty hospitals—hospitals that have the potential to impinge upon the privately insured patient base of full service hospitals. At the local level, there also appears to be little interest in zoning regulations or other regulatory means that would limit their growth in Jefferson Parish.	Because of the lack of political feasibility, this action item has been tabled at present. Revisit the feasibility of pursuing a state or local legislative remedy in 6 months to a year.	Action item tabled at this time			

## Hospitals and Health Care

Progress as of July 2011

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	<p>The proposed University Medical Center in the Mid-City area of New Orleans continues to move forward although a number of obstacles to its completion remain. Foremost among them is fully financing the project, as some doubts have emerged about the hospital's ability to function without considerable state subsidy.</p> <p>While Jefferson's legislative delegation has some input on the project, it is increasingly clear that the project will likely proceed independently of feedback from Jefferson Parish. As a result, this action item is no longer applicable. The primary role of JEDCO and Jefferson Parish for the foreseeable future will be to monitor progress and the State's financial support for the facility in the context of other hospitals in the region.</p>	Continue to monitor progress in building the University Medical Center. Monitor state financial support for the new hospital's operations and continually evaluate the patient base and the overall health of Jefferson hospitals in the context of this new facility..	Not applicable at this time and removed from hospitals action items.		
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	<p>A legal precondition to closer collaboration between the service district hospitals is the state attorney general's approval of a "certificate of public advantage" to address/satisfy anti-trust concerns.</p> <p>However, obtaining the certificate of public advantage has been bogged down due to legal issues. In the meantime, there have been several board meetings of the combined Service District #3 board, but little of substance has been accomplished. Recently, there has been discussion of a study to be conducted by a national health care expert that would provide meaningful guidance as to how the new Service District board should proceed.</p> <p>The hope is that such a study would jump start action by Service District #3 and would provide their board with concrete goals and actions.</p>	<p>Work to expedite the approval of a certificate of public advantage, as momentum appears to have stalled.</p> <p>Secure funding and a sponsor for a report by a health care consultant on how Service District #3 can operate most effectively.</p>			

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Progress as of July 2011							
Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Action Item Complete	Substantial Progress	Little/No Progress
H7	Aggressively advocate for the funding and implementation of the COL-LAH report pertaining to uninsured coverage	Obtain legislative approval in 2010-2011	No longer applicable and removed from hospitals action items. See October, 2010 status update for more information.	No further action required	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	The principal obstacle to a healthy communities plan remains funding. Jefferson was unsuccessful in securing funding in 2010 from the New Orleans-based Crescent Fund for a preliminary component of a healthy communities plan. No other funding source has been forthcoming, but one possibility for funding would be a partnership with hospitals and other healthcare institutions within the region.	Continue to search for additional external funding sources. Approach the Parish Council, Administration, and potential donors for resources to complete this plan. In the coming weeks, scour the Foundation for Louisiana website for possible funding opportunities.			
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	No longer applicable. Action item has been removed. For more information refer to October, 2010 status update.	No further action required	No longer applicable and removed from hospitals action items		



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