

SENATOR'S NEWS RELEASE

FOR IMMEDIATE RELEASE

DATE: 04.21.11

CONTACT: SEN. HEITMEIER

PHONE: 504.361.6356

West Jeff Hosted Press Conference by State Senator David R. Heitmeier on Securing Financing for Community Hospitals in Louisiana

West Jefferson Medical Center Chief Executive Officer Nancy R. Cassagne was joined by area hospital leaders at a recent press conference to thank State Senator David R. Heitmeier, O.D., and Department of Health and Hospitals Secretary Bruce D. Greenstein for their efforts to find new approaches to financing for community hospitals in Louisiana, while ensuring access to care for low-income and needy patients.

Last month, DHH made payments totaling nearly \$86 million to 29 hospitals across the state using two new programs that Sen. Heitmeier helped conceive and implement through legislation.

Under the first program, known as the Low-Income and Needy Care Collaboration (LINCC), private hospitals enter into agreements with public state and local hospitals, hospital districts or DHH allowing private hospitals to take on the costs of programs that serve Low-Income and Needy patients, which frees up local and state funding. The money can be used to maximize available federal matching funds through the Upper Payment Limit (UPL) program for private hospitals or to help fund the Medicaid program. UPL payments of \$83 million were paid for 27 hospitals in March, and \$27 million was paid to 16 hospitals in December.

The second program, known as the Supplemental Physician UPL program, is targeted to non-state-owned public hospitals, such as West Jefferson for services provided by physicians either employed or associated with the hospitals. In March 2011, DHH made payments to 2 public hospitals. East Jefferson General Hospital and West Jefferson Medical Center received a combined total of more than two and a half million dollars.

DHH is in the process of performing outreach to other non-state public hospitals and expects as much as \$10 million to \$15 million annually will be paid out through the Supplemental Physician UPL program.

State Sen. David R. Heitmeier, O.D., said, "Finding solutions to our state's health care challenges has been a priority of mine since taking office. The policies we have implemented will bring hospitals in our state hundreds of millions of federal dollars in coming years without any additional tax burden to our citizens. When I suggested the plan allowing the state to leverage these federal dollars, it was truly a team effort in getting it done. I was supported by my colleagues in the legislature, Governor Jindal and the Louisiana Department of Health and Hospitals where much hard work took place to implement the programs."

Heitmeier said what makes this truly a win-win for the state is the fact that public-owned hospital are working in collaboration with private-owned hospitals, so all are benefiting. "Our hospitals across the state have been suffering financially since Hurricane Katrina. We have gotten them to work together for everyone's financial benefit which keeps our medical infrastructure strong and makes Louisiana a better state for our citizens."

Secretary Greenstein said, "Last month, I stood with our governor, Sen. Heitmeier and a host of private and public hospital officials at the Capitol to announce the LINCC initiative. It is a pleasure to be able to join the non-state public hospitals and a few private hospitals on their own turf today to show our appreciation for what Sen. Heitmeier has done to make this a reality and for what each of these hospitals have committed to that will help ensure continued access to quality health care for our most vulnerable citizens."

West Jefferson CEO Cassagne said, "Senator Heitmeier has been a true champion for West Jefferson and has fought tenaciously to get funding for our community. Literally within weeks of taking office, he made it a priority to assist our struggling hospital community in securing future funding. Through many meetings and phone calls and his unwillingness to accept the status quo, the Senator has worked tirelessly on our behalf. Together with his colleagues, he passed key legislation to help improve hospital funding formulas."

Pat Quinlan, CEO of Ochsner Health Systems, said, "We must deal with the financial crisis our state is facing, like so many states. I'm grateful that in Louisiana we have found a solution that enables hospitals to continue to provide high quality care in spite of our difficult budget reality. Approved by the federal government, our care collaborative is the result of true partnership between Louisiana's hospitals, Governor Jindal, Secretary Greenstein, Senator Heitmeier and a host of other committed health care leaders."

###