

**Blueprint Louisiana****Remarks Prepared for Submission to the Louisiana Commission on Streamlining Government  
December 1, 2009**

Sustainable, predictable funding for transportation remains elusive. Louisiana's backlog of critical projects is still daunting. Our roads are still rated poorly in national surveys. Surplus funds allocated to transportation projects over the last few years are likely the last such surpluses for years to come. The TIMED program – a list of 16 major transportation projects set in the Constitution – is insolvent with a couple of projects still not completed. Presumably, these are some of the reasons Representative Hollis Downs established a task force that is currently doing a comprehensive review of the state's transportation situation.

An immediate need is to urge the United States Congress to pass a reasonable extension to the 2005 surface transportation law, which expired at the end of September and which is being held hostage by a handful of Senators and House members. To this point, two short-term extensions of 30 days each have been approved. Unfortunately, short-term extensions mean less money is available for states and do not provide states the certainty they need to keep crucial transportation projects moving forward. This is making an already-challenging situation even more daunting.

As some of you are aware, the federal government and state governments face the longer-term challenge of sustainable transportation funding. The crux of the problem is this: vehicle miles are declining – because of consumer reactions to high gas prices during the second half of 2008 and because of consumer decisions to purchase more fuel efficient vehicles. Federal fuel efficiency standards were increased earlier this year, which will only worsen the dilemma. Yet, transportation funding is largely based on the gasoline tax, both the federal portion as well as state portions. But with vehicle miles declining and projected to go lower because of the reasons stated above, we find ourselves with a shrinking funding source.

I think we all agree that one of the best ways to spur job creation and economic activity is through infrastructure investment. The U.S. Department of Transportation estimates that every \$1 billion spent on transportation and matched by the states supports approximately 35,000 jobs. In addition, improved transportation infrastructure and mobility is an important contributor to our overall quality of life and the ability to retain and attract businesses to our state. However, Louisiana's overall budget situation makes the push for sustained, predictable funding very hard. We acknowledge these difficult choices.

In this difficult environment, we offer a couple of ideas for you to consider... some innovative funding and financing options that were mentioned in a National Governors Association study from January 2009.

***Public-Private Partnerships that Leverage Private Capital and Expertise***

Quoting from the NGA study, "PPPs are contractual agreements formed between a public agency and private sector entity that allow for greater private sector participation in the delivery of transportation projects. The primary benefits of PPPs for states or other public sector entities include access to significant private capital, the potential for reduced costs and accelerated project delivery, sharing or

shifting of project risk, and the opportunity for more efficient management. PPPs can take a variety of forms, including management and operations PPPs; asset leases; and private financing and management of new facilities (which could include long-term concession agreements for design, construction, finance, operation and maintenance).”

We recognize the decline of the capital markets have impacted the amount of private capital available for investment. To the extent that those markets continue to improve and the private sector renews its interest in these types of projects, Blueprint has consistently advocated for the use of PPPs where they make sense.

#### ***Tolling, Vehicle Miles Traveled Fees, Congestion Pricing, and Other User Fees***

Again, quoting from the NGA study, “While tolls currently provide only a small share of total transportation revenue, many state are revisiting the use of tolls to help generate needed revenue, address capacity expansion, and manage urban congestion. Complementary to tolling, states are exploring user fees: directly charging users for the time and point of access, miles driven, or even the parking spaces they use. As with tolls, these user fees can allow state and local officials to access private capital, leverage existing public assets, and price transportation facilities to encourage more efficient use of transportation assets. Innovative approaches to tolling and fees include enhanced use of traditional toll authorities, congestion pricing, vehicle miles traveled (VMT) fees, and variable parking fees.”

As noted in the most recent Public Affairs Research Council study, “Louisiana currently makes little use of tolls for roads or bridges. While there are 4,622 miles of toll roads nationally, Louisiana is credited with only 1.5 miles of toll roads and two toll bridges.”

The PAR study also notes that “Louisiana has yet to allow a private entity to collect tolls in exchange for financing a highway construction project.”

#### ***Debt Financing Strategies Including State Infrastructure Banks***

Again, quoting from the NGA study, “Several new approaches for debt financing have emerged in recent years as states have endeavored to make up for gaps in motor fuel tax receipts and sought alternatives to the pay-as-you-go financing method. Innovative debt strategies include the use of bonding instruments, such as Grant Anticipation Revenue Vehicles (GARVEEs) and private activity bonds; federal credit assistance from the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program; and state infrastructure banks.”

Blueprint Louisiana thanks you very much for the opportunity to offer these suggestions.

— END —

*Blueprint Louisiana is a citizen-driven effort to identify and implement essential changes to fundamentally improve Louisiana.*

## Blueprint's Health Care Agenda

Louisiana Commission on  
Streamlining Government

December 2009

*It's Time to Create the  
State We Deserve*

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## Blueprint's Mission

1. Identify major challenges that limit Louisiana's opportunity for long-term success
2. Develop specific solutions to address these challenges
3. Secure the necessary support to implement the solutions in the Legislature and the Administration

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## Our Health Care Agenda Items

1. Redirect state funds for uninsured from facilities to patients
  - Maintaining a separate “charity” system for the uninsured is an obsolete idea
  - Better to spend state health care dollars purchasing coverage and services

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## Our Health Care Agenda Items

2. Refocus LSU’s mission to medical education and research in teaching centers of excellence
  - Without the burden of running a statewide “charity hospital” system, LSU can better focus on building world-class medical education and research

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## Our Health Care Agenda Items

3. Customize uninsured care by region
  - The “new” model for uninsured care could vary in design from region to region to fit with regional health care resources and needs
  - We need a common sense approach

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## Our Health Care Agenda Items

4. Expand coverage for the uninsured
  - The best solution for the uninsured is some type of health care coverage
  - Efforts to expand coverage must be coupled with reform of provider payment systems and consumer incentives

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## Our Health Care Agenda Items

5. Accountability in state health care spending for uninsured (DSH dollars)
  - Data should be available in 2009 that tells us how much care is being delivered (and where) for our DSH dollars
  - LA's 2009 DSH allotment: \$750 million

ACT 540  
2008

See Handout

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## The Time is Now

- There is a good fit between Blueprint's health care agenda and Governor Jindal's *Louisiana Health First* reform package
  - Expand coverage
  - Reform Louisiana's Medicaid model
  - New governance model for new academic hospital in New Orleans

See Handout

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SENATE BILL NO. 337

BY SENATORS MICHOT, THOMPSON AND WALSWORTH AND  
REPRESENTATIVES KATZ AND MILLS

1 AN ACT

2 To amend and reenact R.S. 46:2761(A), relative to uncompensated care payments; to  
3 provide for the type of data to be reported; to provide for reporting; to provide for  
4 legislative audits; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 46:2761(A) is hereby amended and reenacted to read as follows:

7 §2761. Uncompensated Care Hospital Payments

8 A. The Department of Health and Hospitals shall specify in the Medicaid  
9 State Plan how uncompensated care is defined and calculated and shall determine  
10 what facilities qualify for uncompensated care payments and the amount of the  
11 payments. In determining payments as provided in this Subsection, the department  
12 shall prioritize local access to care, and shall distribute uncompensated care  
13 payments in proportion to the amount and type of uncompensated care reported by  
14 all qualified facilities as required by rule and as allocated in appropriations to the  
15 Medical Vendor Payments Program. The secretary shall require as a condition of  
16 payment of uncompensated care costs provided under this Subsection, that all state  
17 and non-state hospitals, excluding rural hospitals included in the Rural Hospital  
18 Preservation Act and their provider based rural health clinics, and other health  
19 care facilities report to the department patient specific Louisiana Medicaid  
20 universal billing revenue code format data on the amount and type of  
21 uncompensated care provided and all requested data on the amount and type of  
22 other services and activities financed by uncompensated care payments. This  
23 data shall be reported electronically by each hospital or other facility on a  
24 quarterly schedule as required by the department. The secretary shall provide  
25 after the close of each quarter a detailed summary of reported information to  
26 the governor and the legislature. Hospitals defined under the Rural Hospital  
27 Preservation Act shall continue to report the data collected on the Department



# The Time for Health Care Reform in Louisiana is Now

Louisiana has wrestled with the idea of fundamental health care reform for the better part of two decades. Throughout this 20-year period, a multitude of studies and assessments have been conducted, reports written, study groups commissioned, and proposals developed. Unfortunately, none of this effort has produced any real change on the ground. Our basic model for health care delivery and financing has proven most resistant to change despite exorbitant annual cost increases and less than satisfactory patient outcomes. Louisiana today rates as the least healthy state and 20% of our citizens remain uninsured. That's the bad news.

Here's the good news. A decisive mass of support is building for fundamental health care reform. Blueprint Louisiana believes the opportunity is finally here. The time for health care reform in Louisiana is now. Blueprint published a health care reform agenda in July 2007. Our recommendations are focused on improving the financial efficiency and the delivery of care for Louisiana's uninsured.

Recently, the Jindal Administration unveiled a five-part plan for health care reform in Louisiana. Some of the technical details of this plan remain to be defined. Nonetheless, we are very encouraged. The Governor's health care reform plan is significantly aligned with Blueprint's health care agenda. Here is a comparison:

Blueprint Louisiana's Proposals	Jindal Administration Proposals
<p><b>Expand Coverage for Low-Income Adults</b></p> <p>Blueprint's health care agenda calls for expanding health care coverage to 100,000 additional low-income adults.</p>	<p><b>Expand Medicaid Coverage Statewide for Parents and Caretakers of Medicaid-eligible Children Up to 50% of the Federal Poverty Limit</b></p> <ul style="list-style-type: none"> <li>• Studies consistently show that increased insurance coverage is strongly associated with better health outcomes.</li> <li>• This proposed expansion would provide coverage to 60,000 additional low-income adults. This reform proposal coupled with the following proposal (#2) would extend coverage to approximately 106,000 low-income citizens.</li> </ul>
<p><b>Dollars Follow the Patient</b></p> <p>Blueprint's health care agenda calls for the state to redirect state funds from underutilized charity hospitals to people – allowing dollars to “follow the patient” to their local choices for health care.</p> <p>Blueprint also supports the development of customized regional plans for the uninsured. As stated earlier, Blueprint also calls for expanding coverage to 100,000 additional low-income adults.</p>	<p><b>Region V (Lake Charles) Full Coverage Model</b></p> <ul style="list-style-type: none"> <li>• Proposes a federal demonstration program in Region V to provide full access to affordable coverage for all in the region.</li> <li>• This proposal would also convert Moss Regional Medical Center (Region V charity hospital) to serve primary care, mental health, urgent care and other outpatient uses.</li> <li>• This proposed expansion would provide coverage to 46,000 uninsured citizens in the Lake Charles region (Region V has the highest uninsured rate in the state – 28%). This reform proposal coupled with the previous proposal (#1) would extend coverage to approximately 106,000 low-income citizens.</li> </ul>

*continued on reverse*

**It's time to create the state we deserve.**

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