



LOUISIANA HOSPITAL ASSOCIATION

9521 BROOKLINE AVENUE • BATON ROUGE, LOUISIANA 70809-1431
(225) 928-0026 • FAX (225) 923-1004 • www.lhaonline.org

FOR IMMEDIATE RELEASE

May 9, 2016

**REPORT: LOUISIANA HOSPITALS ARE VITAL TO STATE'S ECONOMY
Budget cuts will eliminate highly-skilled jobs,
Coverage expansion will bring millions to state**

(Baton Rouge) – Louisiana hospitals are one of the top economic engines and most prolific employers within the state, generating more than \$31.6 billion annually in increased state business activity and directly employing more than 103,000 people, according to a [new report](#), “Hospitals and the Louisiana Economy,” released today by the Louisiana Hospital Association.

The report by Dr. James A. Richardson, Alumni Professor of Economics at Louisiana State University, provides an analysis of the economic impact of the hospital industry on the Louisiana economy and regions within the state.

“While working to improve health in Louisiana, hospitals are a critical economic asset for large and small communities throughout our state,” said Paul Salles, LHA president & CEO. “A thriving hospital is a key indicator for economic success in every community across Louisiana.”

According to the report, the healthcare sector in Louisiana employs 294,931 residents with a payroll of more than \$12.6 billion. Hospitals provide jobs for 103,446 people with an annual payroll of \$5.5 billion, accounting for approximately 35 percent of the total employees and 45 percent of the total payroll of the healthcare sector.

Dr. Richardson explains in the report that the “economic benefits of the hospital industry expand far beyond the doors of the hospitals and the people directly employed by these facilities.” Hospital expenditures created and supported 311,120 new jobs statewide, including jobs in personal and business services, financial services, retail and wholesale trade, transportation and utilities. In each region, this translates to 84,099 workers in New Orleans and Jefferson, 39,324 in Lafayette, 39,255 in Baton Rouge, 39,003 on the Northshore, 34,182 in Shreveport, 24,030 in Alexandria, 20,444 in Monroe, 17,700 in Lake Charles, and 13,083 in Houma-Thibodaux.

Budget Cuts to Hospitals Impact Every Region of the State

Healthcare cuts to providers have unintended and far-reaching consequences for all patients. Louisiana loses \$1.65 in federal funds for every dollar in state budget cuts to providers. Under the current match rate, if the state reduces its direct expenditures for Medicaid by \$150 million, the state will lose an additional \$245 million of federal dollars for an overall reduction of \$395 million. This would lead to statewide reductions in jobs, personal earnings and overall business transactions.

“As state lawmakers make difficult budget decisions, we urge them to protect medical access by preserving these highly-skilled jobs in Louisiana,” said Salles. “Cuts negatively impact every region of the state.”

Expansion Would Bring Millions to Louisiana

States have the option to increase federal matching payments for new Medicaid enrollees by expanding coverage to uninsured, non-elderly adults with incomes at or below 138 percent of the federal poverty level (FPL). The federal government currently pays 100 percent of the costs associated with expansion, with matching payments phasing down to 90 percent after 2020. By accepting Medicaid expansion, Louisiana will receive at least \$9 of federal funds for every \$1 contributed by the state.

The state has an obligation to fund care for uninsured patients whether or not it accepts expansion, according to Dr. Richardson. He estimated that Louisiana would gain \$810 million to \$864 million annually in federal support by expanding coverage. These federal payments would support approximately 16,800 new jobs in the Louisiana economy with a payroll of \$680 million.

###

About the Louisiana Hospital Association: Established in 1926, the Louisiana Hospital Association is a non-profit organization representing hospitals and healthcare provider groups across the state. The mission of the LHA is to support its members through advocacy, education and services. For more information, visit the LHA website at www.lhaonline.org, or follow us on Facebook at www.facebook.com/LAHospitals or on Twitter [@LAHospitals](https://twitter.com/LAHospitals).

CONTACT: Mike Thompson, Media Liaison, Phone: 225-928-0026, mthompson@lhaonline.org