FOR IMMEDIATE RELEASE

La. Needs Forward-Thinking, Sustainable Health Reforms—Not Cuts
Statement from LHA President and CEO Paul A. Salles
January 6, 2015

Baton Rouge - Louisiana is facing one of the worst budget years in recent history, and once again, patients’ access to healthcare is in jeopardy. Since 2009, hospitals have been cut more than 26 percent, and any additional cuts to hospitals and other healthcare providers are bad medicine for our most vulnerable patients.

Currently, evidence shows that Louisiana patients already face problems finding a physician and accessing needed healthcare services. With the magnitude of cuts being projected, layoffs, service reductions, ER closures and other access issues are guaranteed. In addition, healthcare costs would increase, because employers and individuals who have private health insurance would have to pay more to cover the increasing shortfalls caused by these cuts.

Healthcare cuts could be as high as $700 to $800 million, including federal matching funds. Cuts of this magnitude are short-sighted at a time when our state’s healthcare system needs to be strengthened to care for the growing number of seniors, along with our children and all other Louisianians.

According to a report by Louisiana State University Alumni Professor of Economics Dr. James A. Richardson, “A reduction of direct expenditures by the state on the Medicaid program of $150 million is the equivalent of reducing expenditures by $395 million given the federal match.” A $150 million cut in the state budget would result in a “reduction of 8,144 jobs statewide, a reduction in personal earnings of $329 million, and a reduction in overall business transactions of just over $800 million.” Therefore, the looming Medicaid cuts being discussed now could reduce jobs by more than 16,000 statewide and reduce personal earnings by more than $658 million.

It's time for Louisiana to consider alternatives and choose forward-thinking, sustainable reforms in lieu of debilitating cuts.

To start, our policy makers should consider viable private-sector, consumer-focused strategies that would transform the way our state cares for lower-income, hard-working residents. Transformative reforms that utilize innovative coverage options focused on preventive care, incentives for healthy behaviors and tools such as health savings accounts offer the promise of a more accessible and affordable healthcare system for all.

Additionally, our states leaders should employ and build on current funding approaches by engaging public and private sector collaboration. We believe a more effective use of public and private sector resources in conjunction with these strategies is critical to the long-term success of our state and the sustainability of the positive healthcare reforms implemented in recent years.
We understand that the state budget process is difficult; therefore, we need to consider all options to improve and protect access to needed care for our residents. Making cuts solely for budgetary reasons before consideration of every possible option is a disservice to the residents of Louisiana and the dedicated healthcare professionals who care for them.

The LHA and our member hospitals stand ready to collaborate with state, federal and private sector stakeholders to implement thoughtful, responsible healthcare solutions for the physical and financial health of our state.

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.

###

CONTACT:
Michelle Clement, APR, Associate Vice President of Communications & Public Relations
Phone: 225-928-0026 E-mail: mclement@lhaonline.org