

**Louisiana Health Care Commission Meeting Minutes
Poydras Building Hearing Room
Baton Rouge, Louisiana
May 1, 2015**

Members present: Rhonda Bagby, Coletta Barrett, Leah Barron, Roderick Campbell, John Steven Caraway, Julie Cherry, Amy David, Diane Davidson, Donna Fraiche, Holley Galland, Korey Harvey, Linda Hawkins, Hedy Hebert, Eva Lamendola, Donna Mayeux, Ronnell Nolan, Phyllis Perron, Debra Rushing, Rocky Thompson, Laura Trunk and Chris Vidrine

Members absent: Robelynn Abadie, Jeff Albright, Renee Amar, Robert Barsley, Evola Bates, Eric Baumgartner, Scott Broussard, Derrell Cohoon, Rita Finn, Brenda Hatfield, Anil Kukreja, Jesse Lambert, John David Monlezun, Andrew Muhl, Ron Nezat, Korey Patty, Tej Shah, Jeremy Stillwell, Representative Ledricka Thierry, Jennifer Valois and Senator Rick Ward, III

Staff present: Crystal M. Campbell and Kristen M. Kieren

Chairperson Donna Fraiche called the meeting to order at 9:12 a.m.

Ms. Julie Cherry offered a motion to approve the minutes from the January 30, 2015 meeting and Ms. Leah Barron seconded the motion.

Chairperson Fraiche began the meeting by introducing Commissioner of Insurance, Jim Donelon. Commissioner Donelon thanked the membership of the commission for their service, as well as the panelists for their attendance at the meeting. Chairperson Fraiche introduced the panelists: Jonathan Chapman, Executive Director of the Louisiana Primary Care Association; Secretary Kathy Kliebert, Department of Health and Hospitals; Sean Prados, Executive Vice President and Chief Operating Officer of the Louisiana Hospital Association; and Mike Reitz, President and Chief Executive Officer of Blue Cross Blue Shield of Louisiana.

Each panelist gave a brief introduction of their own before the meeting was opened for discussion of the state budget and how it will affect the state's health care market. Key points from each panelist:

- Jonathan Chapman opened the panel discussion with an overview of the work of the Louisiana Primary Care Association (LPCA). The LPCA oversees the operations of 30 federally qualified health care centers (FQHC); representing over 300,000 patients; which amounts to over one million individual visits. The two largest groups of individuals who receive care in FQHCs are Medicaid patients and the uninsured – each representing 40 percent of the total patient base. Mr. Chapman noted that the LPCA operates more under a business model structure, as they are not a state agency. He stated the state budget issues are affecting the way the LPCA operates and currently they are looking for other partners.
- Secretary Kliebert briefly discussed the changes the Department of Health and Hospitals (DHH) is making in light of the budget, including cuts to staff and funding for additional projects. DHH faces a \$136 million cut in funding for the next fiscal year; this represents \$60 million in state general fund dollars and federal match dollars. Cuts are being made to operating costs in terms of supplies, contract reductions and medical vendor program cuts.

In addition to the cuts, DHH is awaiting the approval of \$154 million in state general fund dollars in supplemental funding. Without the passage of the funding, there would be a two percent, across the board cut to services with the exceptions of cuts to nursing homes, pharmaceuticals and hospitals. Secretary Kliebert stated that if DHH does not receive the supplemental funding (\$154 million), the biggest impact would be a one-third funding cut to the budget for the public-private partnerships cuts. She noted that a cut this large would result in a reduction of services or private partners pulling out.

- Sean Prados gave a brief overview of the Executive Budget cuts to hospitals, stating that the total cuts amounted to \$165 million. The cuts include \$10 million in reductions to outliers programs; \$7.3 million in high Medicaid DSH pool dollars; \$142 million in funding shortfall in public-private partnership hospitals. Mr. Prados stated that the DHH supplemental funding awaiting passage in the Legislative Session of \$526 million includes state general funds and federal match dollars. He noted that without the passage of the supplemental funding, there would be a reduction of \$407 million to hospitals, amounting to a ten percent cut in Bayou Health reimbursements; 33 percent in cuts to Medicaid pricing; a ten percent reduction in funding to rural hospitals; and a 33 percent reduction to the public-private partnership funding.
- Mike Reitz briefly spoke about Blue Cross Blue Shield of Louisiana and how the private sector is addressing some of the challenges of the state budget. He stated that he in affect represents 15,000 employers across the state. Mr. Reitz noted that the cuts to the state budget are felt in private sector through cost shifting. He offered his expertise to a collaborative effort in providing quality and affordable health care across the state.

Following the opening statements of the panelists, an open questions and answers session with discussion on topics included, but was not limited to: patient care, medical school funding cuts, higher education cuts, pharmaceutical costs and palliative care.

Upon conclusion of the open discussion and with no further business, Ms. Leah Barron offered a motion to adjourn the meeting; Ms. Ronnell Nolan seconded the motion. Hearing no objections, the meeting was adjourned at 11:16 a.m.