

**FOR IMMEDIATE RELEASE**

**April 26, 2010**

## **CARE COALITION SUPPORTS FLEXIBILITY IN STATE BUDGETING PROCESS**

The CARE Coalition today announced its support for several pieces of legislation proposed by Gov. Bobby Jindal and legislative leaders to allow for greater flexibility in the state budgeting process. These pieces of legislation will help maintain and protect vital healthcare services for all Louisiana citizens. The CARE Coalition is a group of healthcare leaders working to ensure the viability of the healthcare delivery system in Louisiana.

“The healthcare industry is one of Louisiana’s largest businesses and employers. More than 250,000 Louisianans are direct employees of the healthcare industry in the state, with a payroll of \$8.3 billion. The state is facing a \$900 million reduction in federal funds for Medicaid in 2012, which will result in fewer state dollars available to provide services. The loss of those funds will likely mean a reduction in critical, life-saving services available to patients,” said Tyron Picard, Executive Vice President for Acadian Ambulance Service and Board member of the Louisiana Ambulance Alliance.

The Coalition endorses SB 1, SB 2, SB 391, HB 322, SB 434 and SB 410.

**SB 1 and SB 2** by Senate President Joel Chaisson will fix the Budget Stabilization Fund, or the “Rainy Day Fund,” to allow the Louisiana Legislature to access money in reserve during budget crises, such as the one in which the state currently finds itself.

“Currently, unforeseen drops in federal funding, like the imminent reduction of stimulus funding and the pending decrease in federal money for Medicaid, are not calculated into the deficit for purposes of accessing the Rainy Day Fund. The elimination of those sources of funding certainly qualifies as a ‘rainy day’ and should be considered as the state addresses the budget,” said John Matessino, President and CEO of the Louisiana Hospital Association.

**SB 391** by President Chaisson and **HB 322** by Rep. Rick Nowlin will allow the state to reduce dedicated funds in government by 10 percent. Currently, the state can only reduce protected funds by 5 percent. More than 60 percent of state funding is protected and cannot be reduced by more than 5 percent.

“Healthcare and higher education are the only two areas of funding that are not considered protected. Absent this legislation, any significant budget problems will continue to be addressed with deep cuts to healthcare and higher education,” said Randal Johnson, President and CEO for the Louisiana Independent Pharmacies Association.

**SB 434 and SB 410** by President Chaisson will direct an additional \$30 million of funds from the tobacco settlement to the dwindling healthcare budget. Currently, 75 percent of the state’s share of the tobacco settlement goes to the Millennium Trust Fund, with the remainder going into the Louisiana Fund, which supports healthcare. This will direct 75 percent of the funding to the Louisiana Fund.

“It is time to reassess our priorities as a state. The Louisiana Legislature and the administration must have the flexibility to protect more than 250,000 Louisiana jobs, ensure the delivery of vital healthcare services to our communities and improve the health of the state,” said Joe Donchess, Executive Director of the Louisiana Nursing Home Association.

### **About the Care Coalition**

The Care Coalition is a group of healthcare organizations in the state, including the Louisiana Hospital Association, Louisiana Independent Pharmacies Association, the Louisiana Nursing Home Association, the Louisiana Ambulance Alliance, the Louisiana Dental Association, the Metropolitan Hospital Council of New Orleans and other healthcare provider organizations.

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