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Facing budget ax, Louisiana hospitals welcome looming Medicaid expansion

By [Harris Meyer](#) | June 1, 2016

One of the nation's poorest, least-insured and unhealthiest states is launching a major effort Wednesday to expand [Medicaid](#)^[1] coverage to hundreds of thousands of low-income residents. Hospitals and other healthcare providers there say it can't happen soon enough.

Surprisingly, the state's Republican-controlled Legislature is largely going along, in part because the big infusion of federal Medicaid money will ease the state's dire budget problems. But the expansion still doesn't solve the problem of a [big budget shortfall](#)^[2] that's threatening the survival of some of the state's nine formerly public safety net hospitals, an issue that may take lawmakers into a special legislative session this month.

The administration of Louisiana's new Democratic Gov. John Bel Edwards kicked off a big enrollment push Wednesday to sign up a hoped-for 375,000 people, many of them low-wage workers and their family members. The

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effort will be helped by the Obama administration's unprecedented approval this week for the state to use information collected from food stamp recipients to automatically determine whether they also qualify for Medicaid. It's estimated that more than 100,000 people receiving federal Supplemental Nutrition Assistance Program benefits will get Medicaid benefits.

The state's hospitals, particularly its financially struggling safety net hospitals, are welcoming the Medicaid expansion, which will take effect July 1. "We've heard nothing but positives from the hospitals and providers on what the Medicaid expansion can do for funding of the hospitals," said State Sen. Norby Chabert, a Houma Republican with close ties to the Leonard J. Chabert Medical Center, a safety net hospital named for his late father.

Edwards ordered the expansion early this year, making Louisiana the 31st state to extend Medicaid under the Affordable Care Act to adults with incomes up to 138% of the federal poverty level. His predecessor, **Republican Gov. Bobby Jindal**^[3], had refused to expand the program. Louisiana is the first Deep South state to implement the ACA's Medicaid expansion, and the Obama administration hopes other conservative states such as Oklahoma, South Dakota, Utah, and Alabama follow suit.

"Conservatives are not thrilled with this, but people realize if we don't expand, you'll have to come up with \$100 million to \$180 million in state general revenue funds," said Susan Todd, executive director of 504HealthNet, a coalition of safety-net clinics in the greater New Orleans area that supports the expansion. "What taxes do you want to raise?"

"It's the governor's decision on Medicaid expansion regardless of what the Legislature wants," Chabert said. "It's irrelevant whether I'm a supporter or not. I'm for providing care and certainly for shoring up funding for our most vulnerable."

According to the Kaiser Family Foundation, there are 192,000 Louisianans who fall into the so-called coverage gap, meaning they have incomes too high to qualify for the state's traditional Medicaid program but they earn less than 100% of the federal

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poverty level. That makes them ineligible for Obamacare premium subsidies to buy private plans through the federal insurance exchange.

Starting Wednesday, people can apply for coverage through the new Healthy Louisiana program online or by phone, and will be enrolled in one of five participating Medicaid managed care plans. Todd said the state's community health centers will be offering in-person assistance. The 61,000 people already participating in the Greater New Orleans Community Health Connection, a program of limited Medicaid benefits, will be moved automatically into the expanded program.

Todd said new Medicaid enrollees may have an easier time accessing healthcare services in the greater New Orleans area, which has 12 federally qualified community health centers, than in other parts of the state, which has a total of more than 30 centers. "I think there will be longer waits in rural areas," she said.

Meanwhile, funding for the state's nine former public hospitals, which Jindal privatized, remains uncertain, as the Legislature faces a \$600 million shortfall for the budget cycle that starts July 1. The safety-net hospitals in Alexandria, Bogalusa, and Lake Charles appear to be at greatest risk, though any cuts could affect University Medical Center in New Orleans – the new facility that replaced Charity Hospital – as well.

The state's medical educators warn that the budget uncertainties are hurting their ability to **recruit and retain**^[4] medical graduates in their physician training programs, potentially exacerbating the state's existing shortage of doctors.

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