



December 20, 2010

Mr. Bruce Greenstein
Secretary
Louisiana Department of Health and Hospitals
P.O. Box 629
Baton Rouge, LA 70821-0629

Dear Secretary Greenstein,

We are hopefully at a critical turning point for health care in our state. After our state received yet another reminder this month that we are at the bottom in overall health care outcomes, all of the public discussion that you have created around the need for system reform and how we do that gives us new hope and confidence that the status quo will not stand in Louisiana. Indeed, the United Health Foundation's "America's Health Rankings" placed our state at 49 among 50 states, but that organization is not alone. The Annie E. Casey Foundation, the Kaiser Family Foundation, the March of Dimes, the Commonwealth Fund and many others have given Louisiana similarly low marks or highlighted our long-standing health care challenges.

Louisiana Medicaid provides health care coverage to 1.2 million residents—more than one quarter of our state. In 2014, Medicaid will cover at least 1.6 million due to the Affordable Care Act. A significant portion of our population today and even more in three years will be covered by the Medicaid system. But, what kind of system do we provide today? Our broken, fee-for-service system pays for episodic care, discourages a stable relationship between the patient and doctor, promotes expensive care settings such as emergency rooms, and does not manage chronic conditions and diseases. The system, physicians and providers do not have the tools needed to ensure patients get meaningful care. A patient gets a health care service. The state pays the bill. It's as simple as that. That arrangement promotes bad health outcomes and costs us more and more every year. As a group of more than fifty doctors across our state, my organization is encouraged by your bold proposal to transform our health care system. Though more than 35 other states have implemented similar reforms, your plan is indeed bold in that it will be a significant first for our state.

The Department's dedicated staff has led a nearly three-year conversation on general health system reform and specifically on the Coordinated Care Network plan, which you, as DHH's new leader, have committed to altering to better match the goals and concerns of many providers in our state. In only three months, you have visited all nine administrative regions of Louisiana twice. We are encouraged by your energy, honesty, willingness to engage in a meaningful conversation and desire to hear all points of view. That approach as led to the development of a transformative model that we can fully support. It is truly the "Louisiana Model" of health care.

We are eager to work with the non-profit and for-profit health plans and organizations the state may partner with to coordinate the care provided by Medicaid, just as we are eager about our ongoing relationship with the many non-profit and for-profit hospitals across our state. Our goal is the same: to ensure that each patient gets the care they need at the time that they need it. That means that patients do not receive their primary care in an emergency room, that more women get breast and cervical cancer screenings and that more diabetes patients are taking proper medications.

You have stated plainly that you will include (1) strong controls to weed out undesirable health plan organizations through an RFP process, (2) a medical-loss ratio, (3) a non-negotiable rate floor and (4) prompt payment. These are the result of you receiving concerns from providers and delivering on your commitment to address concerns and issues where you can.

While we continue to work hard, the broken system continues to work against us, our leaders, taxpayers and other health-care providers. But most critically, the system works against patients. We must change the way we offer care. The results of our system are clearly unacceptable. Despite investing nearly \$8 billion in taxpayer funds annually toward medical care, our state's health outcomes continue to be among the worst in the nation.

We have a tremendous opportunity to adopt a system that is thoughtfully designed to help us to improve health outcomes. With Coordinated Care Networks, each recipient would be the focus of a system that provides incentives for primary care, manages chronic conditions and improves outcomes. For the first time, patients will receive care in a system whose best interest is promoting the wellness and protecting the well-being of their families and themselves.

We support you fully in your efforts. Thank you for taking up the mantle of reform and innovation on the behalf Louisiana's residents.

Sincerely,



Donnie Batie
President
Louisiana Independent Physicians Association