



1           WHEREAS, the overall privatization plan is being implemented in a manner which  
2 entirely precludes any legislative involvement or oversight, and negotiations for the  
3 prospective cooperative endeavor agreements, in which critical matters of public finance and  
4 public health policy will presumably be determined, are being conducted in secret; and

5           WHEREAS, as of the date of filing of this Resolution, no such agreements have  
6 materialized except for one involving the Earl K. Long Medical Center in Baton Rouge and  
7 Our Lady of the Lake Regional Medical Center, hereafter referred to as "OLOL"; and

8           WHEREAS, despite the Earl K. Long/OLOL cooperative endeavor agreement having  
9 been conceived prior to 2009, executed in February of 2010, and amended multiple times  
10 since then, the state has been unable to resolve numerous shortcomings in the agreement;  
11 and

12           WHEREAS, prominent among these shortcomings are inadequate provisions for  
13 access to women's health care and insufficient planning for administration of primary care  
14 clinics, with the latter deficiency continuing to prevent the state from securing necessary  
15 federal approval and vital funding for the system of clinics; and

16           WHEREAS, it should be of grave concern to the legislature that the flawed Earl K.  
17 Long/OLOL cooperative endeavor agreement, with its gaps in care and unresolved federal  
18 financing issues, having been executed over three years ago and in development for a period  
19 of years prior to that, is being held out as the model for other agreements to be developed  
20 by the state under duress and in less than a year; and

21           WHEREAS, the best financial incentive that the state can offer to induce private  
22 enterprises to provide care for Medicaid recipients and the uninsured appears to be a tenuous  
23 Medicaid upper payment limit funding scheme which hinges on potential advance lease  
24 payments which might be made by private providers to the state, which is arguably far less  
25 sustainable than the Medicaid disproportionate share hospital funding system which the state  
26 had been using to finance the LSU hospitals; and

27           WHEREAS, in terms of economic theory, the faltering hospital privatization effort  
28 has become the very definition of a "moral hazard", and should be terminated as soon as  
29 possible so that the citizens of Louisiana may have an opportunity, through their legislature,  
30 for some measure of involvement in a sensible reform of this state's health care system.

1           THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
2 direct the division of administration, the Department of Health and Hospitals, and the Board  
3 of Supervisors of Louisiana State University and Agricultural and Mechanical College to  
4 cease all efforts to privatize state hospitals immediately.

5           BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
6 office of the governor, the commissioner of administration, the secretary of the Department  
7 of Health and Hospitals, and the chairman of the Board of Supervisors of Louisiana State  
8 University and Agricultural and Mechanical College.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Barrow

HCR No. 51

Directs DOA, DHH, and LSU to cease all efforts to privatize state hospitals immediately.