



# **Eight Years of Progress**

*The State of Public Health Care in Louisiana*

**M. J. "Mike" Foster, Jr.**  
*Governor*

**David W. Hood**  
*Secretary, Department of Health and Hospitals*



*A Report from the Louisiana Department of Health and Hospitals*



David W. Hood  
Secretary



January 5, 2004

My Fellow Citizens:

This report on the Louisiana Department of Health and Hospitals is being offered to inform you of the programs and initiatives undertaken by our staff during the last eight years. This report underscores the work of many people who have been committed to making great strides in improving the health picture of our state.

As has been evidenced by national surveys and studies, health care in Louisiana remains an area of concern. While we have come a long way toward fixing this "broken" system, it is important to realize that much work still needs to be done. Louisiana's citizens are among the poorest in the nation, with a large percentage of them having no insurance coverage. This translates into low health outcomes and high health care costs. Because the poor and uninsured are more likely to get care late when their illnesses are advanced, their conditions are more difficult to treat resulting in more costly care.

When I began my tenure as Secretary we had many health outcomes that needed immediate attention. Areas that we concentrated on were childhood immunizations and screenings, a reduction in tobacco products being sold to minors and improved options for people with disabilities and residents in nursing homes. Taking our cue from Congress and the Louisiana Legislature, we developed the LaCHIP program to help ensure more children throughout our state. This initiative has been so successful in covering uninsured children that Louisiana is considered by several national organizations to have the best program in the United States.

To realize the full potential of the LaCHIP program, we implemented CommunityCARE statewide to ensure these newly covered children, as well as other Medicaid recipients, would have a medical home for primary and preventive medical care. Today more than 700,000 persons are enrolled in CommunityCARE, including 600,000 children. In addition, we have designed many other Medicaid initiatives to improve the services to citizens as well as make them more efficient.

The events of September 11, 2001, brought a whole new change in health emergency preparedness. Through our office of Bioterrorism Response and Emergency Preparedness, we have charted a course to prepare the state for any type of public-health emergency, whether natural or manmade. To date we have worked with emerging threats from the West Nile virus to anthrax and smallpox, and we have often been held as a national leader in our programs and our responses.

I hope that this report proves informative and the progress DHH has begun will be continued well into the next century.

Sincerely,

  
DHH Secretary



# **Eight Years of Progress**

## ***The State of Public Health Care in Louisiana***

### ***DHH Leadership***

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Secretary

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Executive Officer

**Robert Johannessen**  
Confidential Assistant

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Deputy Secretary

**Charles Castille**  
Undersecretary

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Assistant Secretary for the Office for Citizens with Developmental Disabilities

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Assistant Secretary for the Office of Mental Health

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**LOUISIANA**



**Department of  
HEALTH and  
HOSPITALS**

## **Eight Years of Progress**

*The State of Public Health Care in Louisiana*

The Louisiana Department of Health and Hospitals strives to improve the health and welfare of all the state's citizens through comprehensive health care programs as well as programs designed to educate and protect the public from known health threats. The mission of DHH is twofold—to provide care for the people who need care and empower the state's citizens to take responsibility for their own health and welfare to reduce the overall cost of health care to our citizens.

### **MEDICAID: PROVIDING HEALTH CARE FOR PEOPLE IN NEED**

During the past several years, the Louisiana Medicaid Program has evolved from one of the nation's most rapidly growing and costly to one that is efficient, cost-effective and quality-oriented. After years of dramatic and uncontrolled Medicaid spending, Louisiana now has achieved one of the lowest growth rates in the entire nation, while at the same time providing unprecedented access to quality medical care for those in need.

In order to continue this course in the future, a number of key strategies have been implemented. These include: (1) a strong focus on primary and preventive care, (2) continuing to assure high quality, cost-effective health care, (3) implementing a wider variety of community-based care for our elderly citizens and to those with disabilities, and (4) improving administrative processes by reducing paperwork and duplication, using new technologies and bringing more services directly to the people who use them.

Listed below are three distinct areas where DHH has improved its Medicaid programs:

- Expanded and improved services and care for children.
- Created greater opportunities and choices for the elderly and people with disabilities.
- Worked toward more effective and efficient administrative processes.

### **IMPROVING MEDICAID FOR CHILDREN AND FAMILIES**

*Peace of Mind for Parents*

When it comes to raising happy, healthy children, nothing is more important to a parent than peace of mind. And, when it comes to health care, peace of mind is knowing there are doctors who are ready to provide treatment and there is insurance to cover the costs.

Programs such as the Louisiana Children's Health Insurance Program (LaCHIP), CommunityCARE, LaMOMS and KIDMED are addressing the goal of creating better access for primary and preventive care.

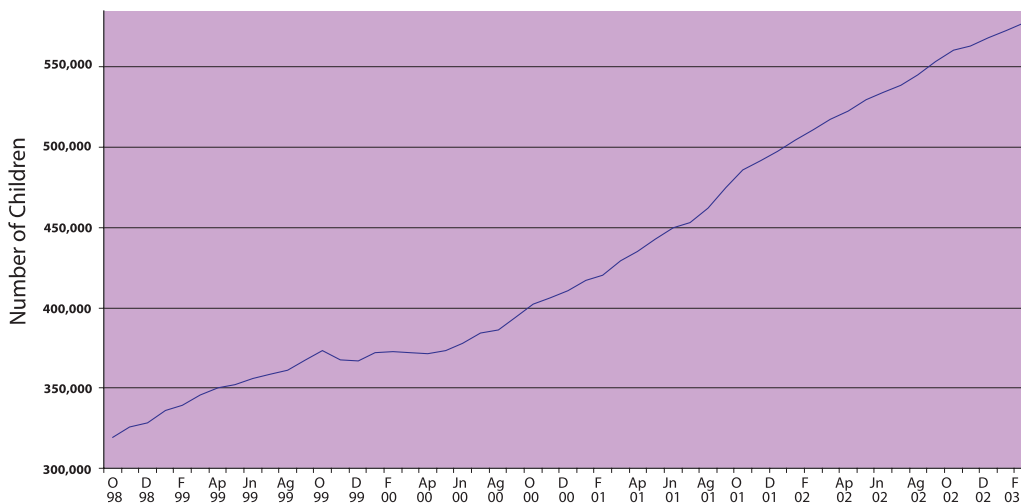
**“Through its CommunityCARE and Children’s Health Insurance Program, Louisiana is attacking the problem of uninsured children and poor access to care with vigor, determination and success.”**

–Vernon Smith, Alliance for Health Reform

**LaCHIP** — Louisiana reduced the number of children without health insurance coverage in Louisiana by implementing the LaCHIP program and increasing outreach for children in the Medicaid program. Currently all children whose family income is under 200 percent of the Federal Poverty Level are eligible for coverage. The Kaiser Family Foundation and several other national surveys have reported that Louisiana had the best reduction in uninsured children of any state over the two-year period ending 2002. According to a comprehensive poll conducted by Louisiana State University, the number of uninsured children in Louisiana was cut in half, from almost 22 percent to 11 percent. Today, Louisiana serves more than 600,000 children through its Medicaid program.

### Louisiana Medicaid

All Publically Insured Children (Medicaid and LaCHIP)



### What Parents Are Saying About LaCHIP...

“I think this is great for the children. I have free health insurance at my work, but I couldn’t afford insurance on my daughter and pay bills at the same time! I felt really guilty about that.”  
*Baton Rouge parent*

“I have never been more pleased with any state program than I am with LaCHIP. I didn’t have to take off from my job to get the necessary information, then sit in offices half of the day to see a caseworker.”  
*Monroe working mom*

“I think that this is a wonderful program, and I truly thank God for it. LaCHIP has relieved the pressure off of me when my children are sick. I no longer have to worry about their medical bills or how I am going to pay for their medicines.”  
*New Orleans mother*

“I think it was real easy (to sign up for) after they sent the forms home from school. This was an excellent idea.”  
*Shreveport mother*

“Finally, help for those who do try to help themselves. For years I struggled to pay doctor bills and prescriptions. Now, the struggle is over.”  
*Alexandria parent*

“I was surprised by the one-page application. It sure did make it easy and less time consuming. When I mailed the application, a representative advised that they had 45 days to make a decision. My answer was received well within that time limit. Thank you!”  
*Lafayette parent*

**CommunityCARE** — In an effort to increase access to primary care, DHH has expanded its primary care program, CommunityCARE, throughout the state. CommunityCARE is now in place in all 64 parishes with 700,000 people (83 percent are children) enrolled in the program. This achievement marks the completion of a goal DHH established in 2001 to make CommunityCARE a statewide program. CommunityCARE was begun in some rural parishes in 1992, with an enrollment of only 40,000 Medicaid recipients.

CommunityCARE is a Medicaid primary care case management system that links Medicaid recipients with primary care physicians, thereby establishing a “medical home” for the recipients. Initial data from CommunityCARE parishes indicates this program provides better preventive care and reduces unnecessary emergency room visits. Long-term benefits expected from the program are better health and decreased health care costs.

In a survey of CommunityCARE patients conducted in Fall 2002, 74 percent of respondents said they were pleased with the process of selecting their own doctor and 85 percent of respondents noted that they were satisfied with the care they received from their CommunityCARE provider.

**“We are changing the face of Medicaid. In the past, Medicaid paid for medical care for patients but did not emphasize primary or preventive care to maintain wellness. We are now ensuring that our Medicaid patients have doctors they trust who can treat their illnesses and detect disease early enough to prevent its progression.”**

*—David W. Hood, DHH Secretary, December 2003*

**LaMOMS** — Medicaid coverage was made available to pregnant women by implementing LaMOMS. This new program (that began in January 2003) provides prenatal health care to pregnant women and their unborn children if their family income is less than 200 percent of the Federal Poverty Level. In 2002, DHH implemented a Medicaid waiver program that provides health care for women diagnosed with breast or cervical cancer. And because there's a link between healthy teeth and gums and healthy babies, in 2003, Medicaid started a new dental program for pregnant women.

**KIDMED Screenings** — DHH has increased health screening of children through the Medicaid KIDMED program. In 2002-03 more than 430,000 medical screenings of Medicaid-eligible children occurred and more than 71,000 children were referred for follow-up care. This focus on early childhood health care for poor children has a direct impact on reducing future health care costs that would be borne by taxpayers.

**A Child's Eye View: “Louisiana is improving in eight of 10 measures for children's health. The state has also made progress in child poverty rates, infant mortality, childhood deaths and the teen birth rate. We believe the state was right to focus in recent years on expanding health care to cover more poor children. This must continue as a priority.”**

*—New Orleans Times-Picayune (2003) commenting on the annual Kids Count Survey from the Anne E. Casey Foundation*

## IMPROVING MEDICAID FOR THE ELDERLY AND DISABLED

It is more important than ever before that we have a health care system that meets the needs of our elderly citizens and those with disabilities. Institutional care such as nursing homes has historically been an important component of this continuum of care, but this is changing. Just as important are alternatives (such as assisted living, personal care attendants, respite, adult day care and other community-based options). More and more, people who do not wish to be confined to institutions are seeking these options.

To the best of our ability at DHH, we are seeking ways to fund alternatives while also seeking fair and equitable rates for our institutional providers. It is DHH's position that high-quality services and supports, offered throughout a continuum of care, are the right approach for our aging citizens and for those with developmental disabilities. The programs below are examples of this commitment.

**Community-Based Waivers** — The department has expanded Home and Community-Based Service Waivers (HCBS) for elderly and disabled people, enabling them to receive Medicaid-funded services in their homes or other community-based settings rather than in institutions or nursing homes. Funding for HCBS services increased 500 percent from 1996 to 2003, and waiver slots increased from 1,500 people in 1995 to 8,600 in 2003.

**Personal Care Services** — For Medicaid recipients who meet the requirements for nursing homes but who can still participate in their own care, DHH is working toward the development of a long-term care, personal care services (LTC-PCS) program. This program will enable our elderly citizens and people with disabilities to remain in their homes and receive the care, supports and services they need. This program is scheduled to start during 2004.

**Trust Fund for the Elderly** — Implemented a Nursing Home Intergovernmental Transfer (IGT) Program that generated in excess of \$900 million, which was deposited in a Medicaid Trust Fund for the Elderly. Income from the Trust Fund is used as state matching funds for Medicaid programs for nursing homes, community-based waiver services and increasing access to health care.

**Improved Nursing Home Rates** — Implemented a new methodology for reimbursing nursing homes that is based on patient acuity. This methodology assures that nursing facilities receive a level of reimbursement commensurate with the level of services needed for each resident. One feature of the methodology is to create incentives for nursing facilities to spend more on direct patient care rather than on administrative expenses. Since 1997, spending on nursing homes increased by \$120 million.

**Improving Nursing Home Quality** — In an effort to continuously improve the quality of care provided by Louisiana nursing homes, the Department of Health and Hospitals now conducts annual and surprise inspections at random times and days. This includes launching surveys on random days of the week (instead of the traditional Mondays) and inspecting at least 10 percent of the homes during evening hours or on the weekends.

**Better Rates for Doctors** — Increased physician fees to ensure continued access to physician services in the Medicaid program. Physicians are the cornerstone of any medical assistance program. Loss of access to physician services jeopardizes continued receipt of federal funds due to lack of recognition as a certified Medicaid program. The department also increased physician fees by more than \$77 million during the past five years.

**More Help for Older Citizens** — Implemented a Medicare Savings Program for very low-income seniors and people with disabilities who are eligible for Medicare but have difficulty paying the premiums. The program helps pay Medicare premiums and in some cases co-pays and deductibles. The department applied for and received a Robert Wood Johnson Foundation grant, which was used to increase enrollment and remove barriers to enrollment. More than 7,500 needy Louisiana citizens now have been enrolled in the program.

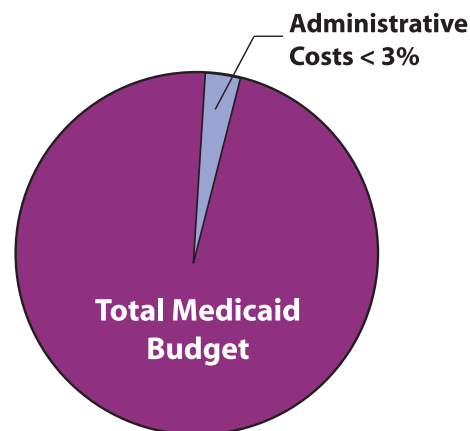
**PACE** — The department has partnered with a local agency to develop a Program for All Inclusive Care for the Elderly (PACE) in New Orleans under a grant awarded by the National PACE Association. The innovative project will provide acute medical and other services needed to support an enrollee to remain in a community rather than being placed in a nursing home. The project is expected to begin in New Orleans in 2004.

### IMPROVING THE ADMINISTRATION OF MEDICAID

When Mike Foster was elected governor, the immediate challenge in health care was to stabilize the Medicaid budget, then facing a \$400 million shortfall. With a directive from the Governor to operate the program in a sound and business-like manner, DHH leadership has worked with the Legislature and the administration to prioritize spending and focus its efforts on programs designed to improve the health status of Louisiana citizens.

The result is a Medicaid program that spends less than three percent of its budget on administrative costs, is controlling overall spending and preserving essential services. Fraud, waste and over-utilization of services have been relentlessly attacked, and areas of widespread abuse have been reduced.

**Reduced Fraud and Abuse** — Intensified efforts to fight fraud and abuse by expanding the Surveillance and Utilization Review Section (SURS) to examine a greater proportion of Medicaid claims for potential fraudulent activity. A recent review by federal auditors indicated that the SURS system was one of the best in the nation. In addition, in 1997 the department proposed and the Legislature enacted a comprehensive and tough Medical Assistance Program Integrity Law.



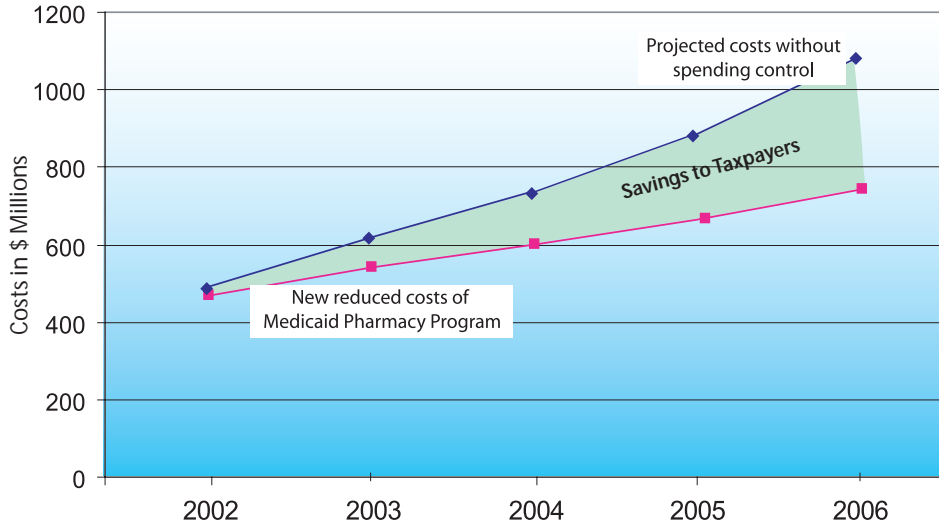
*“Administrative expenses for the Louisiana Medicaid program are the second lowest in the nation.”*

—Centers for Medicare and Medicaid Services

**Controlled Medicaid Spending** — Limited growth of the Medicaid program to less than five percent per year through FY 2002-03, one of the lowest in the nation. Various cost containment measures have been utilized to accomplish this, including prior authorization, hospital diversion programs for the mentally ill, limitation of Medicare crossover claims, prescription limitations in the pharmacy program and limiting the expansion of certain types of institutional care.

**Controlled Pharmacy Spending** — Reduced the rate of increase in the Medicaid Pharmacy Program by implementing a Preferred Drug List (PDL). Prescription drugs not on the PDL require authorization prior to being dispensed. In addition, drug manufacturers are negotiating with DHH to offer supplemental rebates to the Medicaid program.

**Medicaid Drug Program Spending**  
How Cost Controls Reduce Growth



**Improved Technology** — Implemented a new Medicaid Eligibility Data System (MEDS) that replaced the 30-year-old Welfare Information System. Features of the new system include automated income eligibility calculations, history and improved security. MEDS captures more data than the older system, provides more timely information and is more flexible for generating reports, conducting analyses, expenditure forecasting and program management.

**Eligibility Simplification and Paperwork Reduction** — Simplified the Medicaid eligibility application process while maintaining the integrity of eligibility decisions. Reduced the Medicaid application from a 14-page document to a more user friendly two-page one.

## IMPROVING THE HEALTH PICTURE FOR ALL LOUISIANA CITIZENS

In addition to the Medicaid program, DHH continues its commitment to the citizens of Louisiana through other innovative efforts that support people with developmental disabilities or with mental health and substance abuse needs; that address public health and rural health issues; and that directly help children and families.

## **MEDICAID: A LOOK BACK AT THE EARLY YEARS**

### *Disproportionate Share and a Massive Budget Problem*

In the years prior to 1996 and the Foster Administration, the Department of Health and Hospitals was troubled by fraud, corruption and out-of-control spending in its Medicaid program. When Governor Foster first was elected in 1996 and the new DHH administration was put into place, their immediate task was to stabilize the Medicaid budget, which faced a \$400 million shortfall.

At the same time, local media uncovered numerous examples of provider misconduct and fraud, including the infamous New Orleans medical transportation company that claimed to have transported Medicaid patients who in reality had been dead for years, proving the lack of oversight for the program. Another example of abuse in the Medicaid program was the excessive payments made to some private mental hospitals.

The budget problem was the result of the federal government ending the disproportionate share program that Louisiana had come to rely upon to finance Medicaid. Through disproportionate share, hospitals that cared for a large percentage of indigent patients (those without Medicaid, Medicare or insurance coverage) were reimbursed at a rate three times the cost to actually provide the care. Designed to encourage health care providers to care for Louisiana's poorest citizens, this loosely managed program became infamous for fraud and abuse.

Examples of this abuse were the many private psychiatric hospitals that opened throughout the state, marketing their services to Medicaid-eligible patients in order to receive the enhanced payments. News reports soon told the stories of these facilities actively recruiting patients but providing little, if any, care.

The state also capitalized on this funding source. The state-operated charity hospital system became the perfect vehicle for collecting these enhanced payments. This allowed the state to use federal funds to attract more federal funds (instead of putting up the necessary state match) to finance the cost of care for indigent patients in charity hospitals.

Because of our large charity hospital system, Louisiana was able to fully exploit disproportionate share payments and avoided using almost any state funds. Charity hospitals soon were realizing "profits" of 200 percent or more. When this money was transferred back to the Medicaid program, DHH could use it to attract even more federal dollars. The ultimate result was that Louisiana was financing its public health care system without much state financial support.

By 1992, hundreds of millions in disproportionate share dollars were flowing into the state annually, and Medicaid was growing by 33 percent per year. In fiscal year 1988, the Medicaid program spent a total of \$905 million, including \$283 million in state dollars. Six years later, the program was five times as large at \$4.5 billion but, due to disproportionate share, only \$362 million came from the State General Fund.

In 1995, Congress took steps to end this practice, and disproportionate share payments were limited to 100 percent of costs. This action precipitated a fiscal crisis in Louisiana that year, with the Legislature struggling to find nearly \$800 million in state funds to replace lost disproportionate share surpluses. The only solution was to dramatically reduce the size of the program, as well as to find other means of financing.

Under the Foster Administration, substantial investments of state dollars were made to the Medicaid program. This commitment to health care financing allowed essential services to be preserved while fraud, waste and over-utilization of services were relentlessly attacked.

## MORE OPPORTUNITIES FOR PEOPLE WITH DISABILITIES

The simple value expressed in the statement, *people with developmental disabilities are exactly like us*, is the guiding principal behind the department's commitment to serving people with developmental disabilities.

The department works to ensure a person-centered approach to providing services for individuals with developmental disabilities that empowers that person to experience a quality of life and achieve his or her aspirations. During the Foster Administration, DHH has worked to adopt a *person-centered* and *family-driven* approach to the design of new programs, as well as the improvement of existing services.

**Home and Community-Based Waivers** — DHH has expanded Home and Community-Based Service Waivers for elderly and disabled people, enabling more people to receive Medicaid-funded services in their homes or other community-based settings rather than in institutions or nursing homes. Funding for HCBS services increased almost 500 percent from 1996 to 2003, and the number of waiver slots increased from 1,500 in 1995 to 8,600 in 2003.

**New Opportunities Waiver (NOW)** — In 2003, Louisiana became the fourth state to receive federal approval to offer a new array of community-based services to people with developmental disabilities. This New Opportunities Waiver allows qualifying individuals to have more choices and more flexibility when it comes to the services they receive from the Louisiana Medicaid program. DHH worked with advocates for people with developmental disabilities in the design of this service package.

**Developmental Centers** — DHH has not limited its work to community waivers. The agency has made significant strides toward improving its state-supported institutions. Working with the U.S. Department of Justice, DHH is developing a mutually acceptable plan to ensure the health and safety of people who reside there. In conjunction with the residents and their families, the staffs of the Pinecrest and Hammond Developmental Centers developed the plan.

**EarlySteps**— DHH now is administering the Early Steps program (formerly ChildNet), Part C of the Individuals with Disabilities Education Act (IDEA). This program ensures the coordination of early intervention health services to children (birth to 3 years old) identified as at-risk and in need of services. Services provided include physical therapy, occupational therapy, speech therapy, audiology, case management and psychological services.

## ADDRESSING MENTAL HEALTH NEEDS

When Louisiana's mental health system began more than 100 years ago, treatments were limited, stigma was prevalent and isolation in large state hospitals was the rule. Today, a continuum of services and settings is essential, and most individuals with mental illness benefit greatly from normal community settings and home-like living accommodations.

Now, medications to control symptoms and treat mental illness have become available. This results in less disruption, earlier treatment and vastly shorter hospital stays. In fact, it is some 10 times less expensive to treat an individual in the community than as an inpatient in a mental health facility. The newer medications also allow more people to respond quickly, with fewer physical side effects, and to resume responsibility and to return to work.

**Assertive Community Treatment** — Within DHH’s Office of Mental Health, Assertive Community Treatment (ACT) Teams and Resource Centers have been established. ACT teams provide statewide community-based behavioral supports and technical expertise to mental health professionals as they assist people with mental illnesses or developmental disabilities transition from institutional settings to community-based settings.

**Children’s Mental Health** — Treating children at home is more successful than hospitalization; it keeps them in school, keeps them out of trouble and keeps families together. Because outpatient treatment for children can be as much as 52 times cheaper than inpatient treatment, DHH uses a Hospital Admission Review Process to ensure that outpatient treatment can be used whenever it is clinically appropriate. In addition, the Office of Mental Health partners with school-based health centers to identify and treat mental health problems as early as possible.

*“The Louisiana Office of Mental Health has embraced collaboration, and has committed to using the best practices as they design and implement new community-based programs. The result has been an increase in the number of patients served in the community.”*

*–International Association of Psychosocial Rehabilitation Services*

## HEALTH AND SAFETY FOR ALL

Through its Office of Public Health, DHH is responsible for ensuring and protecting the general health of the people of the state. This responsibility includes the enforcement of the Sanitary Code; the management and operation of local health units; ensuring proper sewage treatment and disposal; promoting health, wellness and physical fitness; providing supplemental food programs for women, infants and children; detecting emerging health threats such as West Nile virus; investigating community health hazards; and many other functions.

**Bioterrorism Readiness** — DHH’s Office of Public Health has received federal grants in excess of \$16 million from the U.S. Centers for Disease Control and Prevention to help the state improve its public health infrastructure to prepare for a bio-threat. The funding has been used to add specially trained staff in all nine regions of the state, improve communication systems, prepare distribution sites for vaccinations and improve partnerships with other local, state and federal agencies.



A recent survey of the nation’s bioterrorism readiness ranked Louisiana as one of only 13 states to complete five out of 10 key indicators that assess the state’s ability to respond to a bio-threat. Only nine other states received a higher score. Louisiana was recognized for allocating federal dollars toward bioterrorism response capabilities, increasing or maintaining funding in public health programs, developing a biosafety lab, instituting a statewide emergency alert network and initiating a bioterrorism plan that could be used in the event of an attack.

**Smallpox Immunization Program** — Using federal funds provided by the CDC, DHH’s Office of Public Health completed one of the nation’s most successful smallpox vaccination programs. There are now public health and hospital-based smallpox response teams in all regions of the state who are ready to respond should an actual case of smallpox occur. Almost 80 percent of the acute care hospitals in the state participated and are now ready to respond.

**Instant, Computerized Inspection Reports** — DHH's Office of Public Health has introduced hand-held technology for inspectors who regulate restaurants and other establishments. Much like those used by carrier services, these small, computerized tablets will help to standardize inspection reports, prompt follow-up actions, enhance record keeping and provide in-depth assistance for time management by supervisory staff.

*“The shift from controlling infectious diseases to health promotion and disease prevention has created new organizational challenges. DHH's Office of Public Health has risen to the challenge ... displaying an extreme amount of strength and has never let up.”*

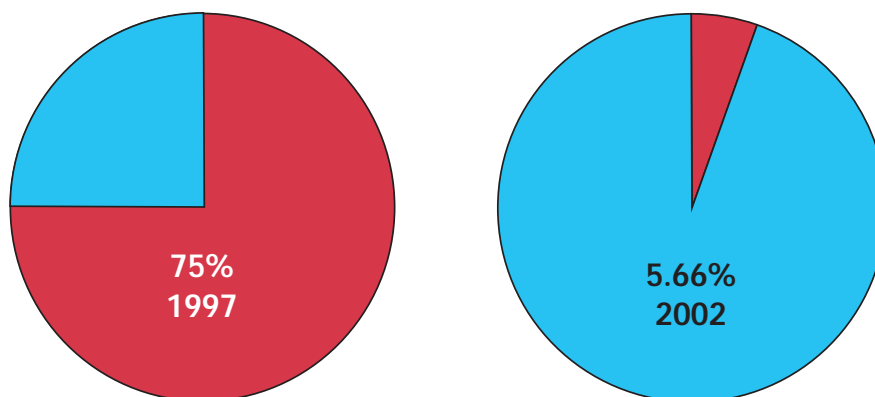
*—Lister Hill Center for Health Policy at the University of Alabama at Birmingham*

## OVERCOMING ADDICTIONS

Under this administration, Louisiana has become a national leader in preventing and treating substance abuse and other addictive disorders such as problem gambling. In several areas, the state has moved from last to first, demonstrating its ability to cost-effectively utilize state-of-the-art modes of treatment. DHH's Office for Addictive Disorders has a mission to provide and ensure the highest quality of alcohol and drug abuse treatment and prevention services to the citizens of Louisiana.

**More Help for Gamblers** — The Office for Addictive Disorders opened the first publicly funded inpatient residential treatment program for compulsive gambling in the nation in Shreveport. Recently, an intensive outpatient day treatment program for compulsive gambling was opened in New Orleans. In 2003, the Louisiana Association on Compulsive Gambling recognized OAD by presenting assistant secretary Michael Duffy with its 2003 Robert and Lillian Custer Eagle Award given for exemplary contributions to compulsive gamblers and their families.

**Less Access to Tobacco** — Reduced tobacco sales to minors. The non-compliance rate for 2002 for tobacco sales to minors is 5.66 percent, the lowest non-compliance rate in the nation. This rate is down from a 75 percent non-compliance rate in 1997.



**Statewide Non-Compliance Rate  
for Tobacco Sales to Minors**

**Criminal Justice and Substance Abuse Treatment** — For every one dollar spent for treatment, \$5.19 is saved in medical care and criminal costs to the state. Louisiana has raised its substance abuse treatment completion rate to 70 percent, resulting in clients maintaining sobriety for one year.

**Excellence in Detox** — The Office for Addictive Disorders has been recognized by the Legislature with “reward” funding for exceptional performance in Admissions and Occupancy Rates for Detoxification programs. The rewards are granted by the Joint Legislative Committee on the Budget and approved by the Legislative Auditor.

## RURAL HEALTH

A large percentage of families in Louisiana live in rural areas where access to health care is a very real concern. A top priority of DHH is ensuring the availability of rural health care services, especially to children. This priority has been an ongoing commitment from DHH throughout this administration.

**Rural Health Access Program** — The department has active recruitment and retention efforts for doctors in rural parishes. DHH has partnered with the LSU Medical School to increase access to health care in rural areas. The partnership has been awarded several grants from the Robert Wood Johnson Foundation totaling more than \$1.5 million. The result has been the formation of the Louisiana Rural Health Access Program.

**Federally Qualified Health Centers** — One of DHH’s top priorities is to increase the number of Federally Qualified Health Centers in Louisiana. These clinics are run by community-based nonprofit organizations and provide comprehensive primary and preventive health care services to the uninsured and underinsured. The development of these clinics are important to rural Louisiana because they strengthen rural health care systems by enabling communities to effectively provide health care services locally.

**Recruiting and Retaining Primary Care Providers** — The department is working to make local communities eligible for federal physician recruitment programs including the J-1 Visa Waiver Program, State Loan Repayment Program and federal scholarship programs designed to aid communities in their efforts to recruit and retain primary care, dental and mental health professionals.

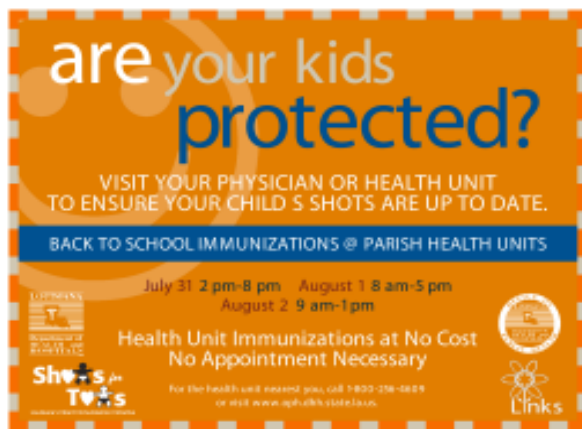
**Promoting Strong Rural Health Provider Organizations** — In partnership with other organizations, DHH offers practice management services to assess the everyday operations of rural providers and facilities. These services are often unavailable or unaffordable to rural providers. Practice management benefits rural health care systems by improving efficiency and increasing revenues.

## CHILDREN AND FAMILIES

The department’s commitment to children and families extends beyond our well-known successes, LaCHIP and LaMOMS. Outlined on the following page are several other programs that highlight our efforts to improve the lives of our youngest citizens.

**More School-Based Health** — A key component of the state's health care system is DHH's continued support of School-Based Health Centers. Because of increased funding by the Legislature, the number of school-based health care centers that have opened since 1996 has grown from 26 to 53 sites.

**Nurses in the Home** — A revolutionary new initiative is the Nurse Home Visitor program. This effort partners health care professionals with young mothers or mothers-to-be to improve prenatal care. After the baby arrives, the nurse assists with care during the baby's early days. Such programs have been proven to lower infant mortality rates, lower teenage birth rates and improve access to prenatal care.



**Computerized Immunization Tracking** — DHH's Office of Public Health has developed a computerized system to track the childhood immunization records of all children and adolescents. This LINKS system connects doctors' offices, clinics, parish health units and other providers to a centralized database. The system reduces the chance a child will miss an important vaccination and allows officials to target their outreach efforts. A statewide testing of the LINKS system in conjunction with bioterrorism preparedness efforts led to the successful vaccination of more than 12,000 people (mostly children under age 6) in a three-day period just prior to back-to-school in the fall of 2003.

**Obesity and Sports Education** — In Louisiana, obesity is a serious public health concern, particularly among children. Recent studies indicate as many as one in three Louisiana schoolchildren is overweight enough to be considered medically obese. The department has taken steps to address the obesity epidemic in Louisiana. Efforts include leadership from DHH Secretary David Hood and State Health Officer Jimmy Guidry, a nutrition partnership with the Pennington Biomedical Research Center and with the Governor's Office on Physical Fitness and Sports, statewide physical fitness meets and other programs within the Office of Public Health.

## DHH ADMINISTRATION

DHH has worked diligently to improve administrative processes that result in more efficient and effective programs. These changes in the administrative process have allowed DHH to do more with less. The result has been a plan to prioritize health care spending that will provide for better health outcomes while maximizing the use of taxpayer dollars.

**Strategic Plan for the Future** — A year-long planning effort in 2000 resulted in the development and subsequent implementation of DHH's strategic plan, the *Blueprint for Health*. This plan articulates a new vision for improving health care in Louisiana. The plan is based on a comprehensive, community-based health care delivery system with preventive and primary health care as its foundation for all citizens where they live.

**Local Funding Alternatives** — Funding always will present a challenge, but DHH is pursuing alternate funding mechanisms that utilize local government funds and certification of some uncompensated care dollars. Generated by non-state public hospitals through an intergovernmental transfer, these funds can be used as state match to draw down additional federal funds in lieu of using scarce state general funds.

**Local Human Service Districts** — Louisiana has a long history and strong culture of state-funded and state-operated public human services. But, just over 10 years ago, Louisiana began to move toward locally operated public human services delivery. Thus, the Legislature created the Jefferson Parish Human Services Authority in 1989 and the Capital Area Human Services District in 1996. In their respective regions, these local authorities administer services and programs for mental health, developmental disabilities and substance abuse.

The concept of local control has proven successful, and demand for additional special single-parish and multi-parish districts multiplied. During the 2003 Regular Session, the Legislature passed laws that created a similar multi-parish district in the Florida Parishes and one in the greater New Orleans region. In addition, the Legislature gave DHH the authority to create a comprehensive, consistent framework that defines the roles and responsibilities for both the state and the local entities for the delivery of these services.

**Video Teleconferencing** — Within two of its program offices (mental health and developmental disabilities), DHH has introduced video teleconferencing technology to link doctors in urban areas to patients in rural areas. The result is that geographic barriers that once limited access to health care are being removed. This project is an example of using technology to improve services offered by the state.

**Downsized Workforce/Hiring Diversity** — Since 1996, the total staffing within DHH has been reduced by more than 1,000 full-time positions. Under the leadership of Secretary Hood, DHH has also made a commitment to appointing women and minorities to top leadership positions.

**Coordination of Services** — The department has been in the process of developing a Single Point of Entry (SPOE) for people with disabilities and the elderly wishing to avail themselves of services provided by the department's various offices. These SPOEs assist people in accessing services for mental illnesses, for developmental disabilities, for physical disabilities and for the elderly.

Another component of this initiative is to make information on services more accessible to the public via a Web site enhancement to provide a Single Point of Access that would allow a person, using interactive technology and a pre-assessment tool, to do some preliminary planning and make informed decisions about which services he or she needs. This system also will be combined with telephone assistance to connect people seeking assistance to the single point of entry, effectively ensuring that no one gets lost in the bureaucracy.

## THE FUTURE

In order to keep the state on a solid path to health and safety for all Louisiana citizens, DHH is focusing on the following programs.

**Continuing to Expand Coverage for the Uninsured** — The Legislature appropriated \$500,000 in SFY 2003-04 for the department to develop a Health Insurance Flexibility and Accountability (HIFA) Medicaid waiver. This option will allow the department to pursue several approaches to increasing health insurance coverage for the working poor. One example of this approach provides assistance to low-income families for a portion of the health insurance premium with the employee and employer paying the rest. Another approach is partially subsidizing premiums for a basic package of benefits.

**Online Medicaid Enrollment** — DHH is developing an online Medicaid application system that will simplify the application process, reduce enrollment time and cut administrative expenses. This is nearing the final stages of development. In addition, a new electronic Medicaid case record is being developed to provide for a “paperless” case record system. This system will eliminate redundancy in filling out multiple forms.

**A New Public Health Lab** — After more than 15 years of funding requests, the Department of Health and Hospitals has obtained the money to begin construction of a new DHH Office of Public Health laboratory. DHH has \$2.8 million in capital outlay funds available to begin construction of a new facility in April 2004. The current lab was built in 1957 and occupies two floors in the State Office Building in New Orleans. The building is old and not equipped to meet the disease detection and surveillance needs that would occur with an emerging disease threat or a bioterrorism attack.

The new lab will be built at the University of New Orleans Research and Technology Park, which currently houses a number of high-tech research facilities, including the UNO Technology Enterprise Center and the Navy Information Technology Center.

**More Local Control of Health Care Spending** — There is a continuing trend to change the human services delivery system from a centralized state-operated system to a more decentralized local or regional model. In response, DHH introduced legislation in the 2003 Regular Legislative Session to create a statewide framework for the creation of human service districts. That legislation was enacted as Act 254 of 2003. The law requires DHH to develop rules for a statewide Human Services Plan for local governments to provide mental health, developmental disabilities and addictive disorders services.

## DHH POLICY AND PRINCIPLES FOR IMPROVED HEALTH

Over the past four years, DHH began to shift health care policy to target resources that are efficient and effective, comprehensive, accessible, community-based and individualized. DHH policies follow national health care trends where applicable. Although the department has accomplished a great deal, more needs to be done to achieve a system that provides quality health care at a reasonable cost. The department will attain that goal only with a long-range commitment to continue the steady march toward a cost-effective system that keeps people healthy. Listed below are brief policy outlines for each major DHH program.

**Medicaid** — In Medicaid, the policy priority is toward increased access to comprehensive, cost-effective care. Funding should be targeted to expand eligibility to increase coverage of the uninsured; build capacity for long-term care in the community; implement managed care statewide; and shift resources from institutional care such as inpatient acute care hospitals and nursing homes, to primary care and home and community-based services.

Medicaid has had a significant role in improving coverage opportunities and thereby the health of many of Louisiana's low-income populations. Examples of state Medicaid policy additions are expanding eligibility to previously uninsured children and their families and programs for pregnant women. Current efforts are underway to further expand health insurance coverage to low income uninsured adults, via a Health Insurance Flexibility and Accountability (HIFA) waiver.

**Mental Health** — In this area, the priority is closing the gap between hospital and clinic services, addressing the needs of people with mental illness in the criminal court system, and curbing future demand for treatment with early intervention programs. Spending should be targeted to increase access to child and family mental health services; increase access to community-based supports, such as crisis response, assertive community treatment and new mental health medications; change state services, and law, to limit entry to and ease exit from forensic services; and leverage Medicaid resources or shift funding for inpatient hospital beds to community-based supports.

Changes in the direction of community-based care can improve the quality of life for people with mental illness and reduce state mental health spending per capita since community services are often less costly than hospitalization.

**Public Health** — In public health the priority is toward "population-based" activities and away from direct delivery of preventive health care services. To achieve the policy direction, dollars should be targeted to transform the role of state government from service provision to assurance, such as state-run parish health unit conversions to locally controlled primary care clinics. It also includes maintaining state infrastructure for disease prevention and building the capacity to track health status.

**Developmental Disabilities** — The priority in developmental disabilities is toward home and community-based and individualized services. Funding should be targeted to build capacity for addressing complex medical and behavioral problems in community services; diversify developmental center and private ICF/MR services into community-based settings; and update and expand the use of Medicaid waivers and state supports for people with developmental disabilities living in the community.

**Addictive Disorders** — In the area of policy related to addictive disorders, the priority is toward "evidence-based," or proven, practice and increased access to prevention and treatment services. Funds should be targeted to upgrade information technology for performance measurement and management; update skills and redesign programs to reflect research findings on what works; and assure access to comprehensive services.

**Eight Years of Progress  
The State of Public Health Care in Louisiana**

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