

Comments on Leavitt Proposal

The proposal by Secretary Leavitt to engineer health care reform in Louisiana would leave the state with a far more pernicious split than now exists between health care “haves” and “have-nots.” Far from replacing an “antiquated two-tiered” system, the plan would widen the gulf between the covered and uncovered. The vision of DHS calls for the funding of insurance benefits for a significant portion of our currently uninsured but at the cost of consuming virtually **all** of the resources now applied to support the statewide safety net of public hospitals and clinics.

Just over 300,000 individuals would come to enjoy “first-tier” health benefits, but most of the over 400,000 remaining would lose health care access through our public facilities and their doctors. As the safety net inevitably fails due to the loss of funding, the remaining uninsured would be forced into expensive, episodic care in community hospital emergency rooms. Or, they would receive no care at all, and most certainly a lesser extent of primary and specialty care than now available in the state public hospital clinics.

The model promoted by CMS would be workable and beneficial if sufficient funding were available for universal coverage. The Bush Administration has not proposed that expensive step for the nation, and yet it pushes Louisiana – which compared to other states has a far greater percentage of uninsured, a significantly lower average per capita income and an economy much more heavily based on small employers – along this path. Unfortunately for this state, that path ends under the CMS plan with a massive population left without **either** insurance *or* reasonable access to care in a safety net system.

The federal approach, as well as others floated periodically in the state, reflects half-tiered thinking about the two-tiered health care system. The two tiers were not created by the charity hospitals, but rather are born of an employer-based system of insurance that provides coverage to fewer than half the people. The state safety net is a group of providers that offer the best care possible within available resources to those people whom neither employers nor government can afford to cover. The safety net can do as much or as little as funding dictates.

Any assessment of Secretary Leavitt’s plan for Louisiana should ask: what is the plan for the remaining 400,000-plus uninsured? Who will pay for and provide their primary care? Who will manage the care of the uninsured patient with asthma, diabetes, congestive heart failure and other chronic diseases? Who will provide the cardiac care and neurosurgery some inevitably will need?

If, as almost everyone knows, Louisiana will require a health care safety net for the foreseeable future, when will attention be paid to making that system as good as it can be? Where is the plan for the rest of the people?