

IN THE NEWS

[[HTTP://WWW.LSUHOSPITALS.ORG/MEDIA-RELATIONS/IN-THE-NEWS.HTM](http://www.lsuhs.org/media-relations/in-the-news.htm)]

[WEDNESDAY, JUNE 18, 2008]

Panel boosts budget
The Advocate | 06.18.08 2

La. sex trafficking targeted
The Advocate | 06.18.08 4

LaCHIP makes gains
The Advertiser | 06.17.08 6

Boustany encourages LaCHIP enrollment
The Advocate | 06.17.08 8

New health clinic addresses equal access concerns
The Advertiser | 06.18.08 9

Higher insurance coverage faces Senate
The Advocate | 06.17.08 11

NGO funding next on Blueprint La.'s hit list
Tri-Parish Times | 06.17.08 12

Return of the banana republic
GBR Business Report | 06.16.08 13

Pay Raise Hell
The Independent | 06.18.08 14

Who is Michael Martin?
GBR Business Report | 06.16.08 15

Jefferson will defend his seat in Congress
Times – Picayune | 06.18.08 17

Study: Health costs to rise nearly 10 percent
Associated Press | 06.17.08 18

Writing New Prescriptions For Change
Washington Post | 06.17.08 19

Fed Chairman Says Improving Health Care System Performance Critical
Congressional Quarterly | 06.17.08 21

Fed Needs to Loosen Grip to Allow States to Fix Health Care, Some Experts Say
Congressional Quarterly | 06.17.08 22

Panel boosts budget The Advocate | 06.18.08

A state Senate committee on Tuesday reversed many of the cuts the House made to Gov. Bobby Jindal's \$30 billion proposed spending plan.

The Senate Finance committee toned down cuts by the Louisiana House to health care and higher education, plugging in enough money to ensure the state's public colleges and universities are funded at the level of their peers in the South.

Lawmakers also found dollars for projects in their districts, a literacy program backed by the governor and Economic Development Secretary Stephen Moret's six-figure salary.

They set aside \$500,000 to continue a state program that investigates illegal dump sites and other crimes.

"We have tried to honor as many of the requests as we possibly can but, as in any year, the needs outweigh the available resources," said state Sen. Mike Michot, R-Lafayette and chairman of the Senate Finance Committee.

The Senate reconvened late Tuesday night to accept House Bill 1, the budget legislation, on the floor. Debate on the bill is expected to take place today.

The committee also approved House Bill 2, the state construction budget for the spending year that begins July 1.

Senators must vote on the bills and return them for the House to concur or reject the changes.

As the session nears Monday's end, the budget is one of the most important bills still to be decided.

State Sen. Lydia Jackson, D-Shreveport, called it the "workhorse" bill.

HB1 appropriates the money for state operations in the state fiscal year that begins July 1.

The budget funds the charity hospitals, public schools and state agencies. It is responsible for ensuring that state employees receive their paychecks, prisons operate and LSU holds classes.

Jindal's original budget proposal would keep teacher pay at the Southern average and would spend \$10 million on work-force training.

During his campaign for governor last fall, Jindal hammered at the Blanco administration for allowing state government spending to supposedly spiral out of control. However, Jindal's spending plan is bigger than the one former Gov. Kathleen Blanco initially proposed for the current fiscal year that ends in two weeks.

The House expressed discomfort with the size of state government spending in Jindal's plan, whittling about \$120 million before sending the measure to the Senate.

Higher education and health care sustained the deepest cuts. Lawmakers also shaved Moret's salary.

The Senate Finance Committee spent several weeks reviewing HB1.

The majority of the 142 pages of amendments adopted by the committee are so-called pet projects — called nongovernmental organizations or NGOs. In all, the committee added about \$110 million in state spending.

The committee wants to spend \$1.1 million on museums, nearly \$1 million on programs for the elderly, \$585,000 on festivals and \$340,230 to develop the downtowns of small towns.

[\[BACK TO TOP\]](#)

Sherry Phillips-Hymel, the Senate's chief budget analyst, noted that any money appropriated to a church was for a specific program.

The committee added:

- \$134 million for health care, restoring 73 percent of the cuts the House made to the Medicaid program.
- \$15 million for the LSU-run hospitals.
- \$13 million for higher education.
- \$12.8 million for juvenile offender programs.
- \$12.5 million for the literacy program backed by the governor.
- \$2.9 million for alternative schools.

The committee also made reductions in funding, slashing the governor's performance-based pay raise program for teachers. Public schoolteachers still would receive an across-the-board \$1,019 raise.

"We've been responsive to our citizens' needs," Jackson said.

Lawmakers are wary of bumping against the ceiling on state spending.

An expenditure limit, based on the growth in the state's personal income over three years, curtails how much money legislators can spend in a year.

The limit can be raised but only with a two-thirds vote of the Legislature.

The committee's changes would leave the state with \$50 million in wiggle room before reaching the expenditure limit, Phillips-Hymel said.

The wiggle room would allow lawmakers to make adjustments to the budget throughout the year when unexpected expenses arise.

<http://www.theadvocate.com/news/20218459.html>

[\[BACK TO TOP\]](#)

La. sex trafficking targeted

The Advocate | 06.18.08

By KIMBERLY VETTER AND STEVEN WARD

Girls and boys are being sold for sex in Baton Rouge and New Orleans, a federally funded report released Tuesday says, even though no one yet has been charged in Louisiana under federal or state sex-trafficking laws.

The problem intensified in the days after hurricanes Katrina and Rita, with relief workers soliciting the services of the enslaved children, the report says.

State and nonprofit agencies have served at least 100 victims of sex trafficking in the area since 2006, says the report, conducted by the nonprofit Shared Hope International.

Staff members at Youth Oasis, a Baton Rouge shelter, say in the report that 57 percent of the 157 minors they served in 2006 qualified as sex-trafficking victims.

The state Office of Community Services reported 35 instances of parents or caretakers being involved in the prostitution of their children since 2006.

Founded by Linda Smith, a former U.S. congresswoman, Shared Hope International was organized 10 years ago to help women and children caught in the sex-trafficking trade.

The organization's report on domestic sex trafficking of minors was funded by the U.S. Department of Justice, Office of Justice Programs and the Bureau of Justice Assistance.

The purpose was to examine the identification of child victims of domestic sex trafficking and the access to services for those victims in 10 U.S. locations, include the Baton Rouge/New Orleans area.

The Louisiana area was chosen because of an influx of sex trafficking to the area after Hurricane Katrina, Smith said in a Tuesday telephone interview.

"When Katrina happened, sex traffickers moved into the area because there were buyers in the relief workers," she said, adding that there also was a vulnerable population of girls who could be persuaded to join the sex-trafficking trade.

Three Toledo, Ohio, men were recently convicted of several sex-trafficking charges in a Pennsylvania court for selling minors for sex in several states, including Louisiana, Smith said. The traffickers were targeting relief workers.

"They are very proud of their business model," she said. "Their attitude is, we are businessmen, that's what we do and that's what we sell, and, in this case, they were selling kids who were devastated by Katrina."

No such cases have been prosecuted in Louisiana, the report says, primarily because state laws don't parallel federal laws.

The federal Trafficking Victims Protection Act, passed in 2000, says victims of human trafficking cannot be held accountable for crimes committed while they were victimized.

The law also removes the requirement to prove fraud or coercion when the victim is a minor.

Louisiana's anti-trafficking law, passed in 2005, does neither. As a result, victims are brought before the juvenile court system on charges related to their exploitation, the report says.

"The result is a mislabeling of trafficked minors as delinquents, child prostitutes, sexual abuse victims, runaways, etc.," the report says. "The various labels can cause conflict and confusion between relevant agencies and can lead to inappropriate treatment and placement of a victim."

[\[BACK TO TOP\]](#)

Area officials involved with The Louisiana Human Trafficking Task Force said Tuesday they agree with the report's findings but added that cracking a sex-trafficking case is difficult because victims often don't want to cooperate.

Katherine Green, a Baton Rouge attorney who works with the task force, said the girls being sold are terrified.

"There was a point when young girls would be forced to get the name of their pimp tattooed on the back of their neck," she said. "There are cases now where some (victims) do that on their own."

According to the report, a mixture of fear and affection frequently develops between the child victim and the perpetrator.

"A known tactic of traffickers/pimps is to systematically employ a combination of violence, affection and survival dependency against the child," the report says.

Bobby Gaston, manager of special programs for the Louisiana Sheriff's Association, which works with the state's human trafficking task force, said sex-trafficking victims usually have other issues going on in their lives.

"Usually these girls have a drug problem. They are runaways. But then they are taken advantage of," Gaston said.

As a result, he said, they "clam up," making it "hard to make a case."

Educating all arms of law enforcement and first responders about the characteristics of a sex-trafficking victim is key to putting the sex traffickers behind bars, Smith said, adding that her organization will be offering training in September.

Green said law enforcement has to start asking why a young girl or boy would be involved in that kind of life.

"When you see a young woman or girl who looks like a prostitute, think about it," she said. "There may be more to it than you think."

To report a sex-trafficking case, call (888) 373-7888.

<http://www.2theadvocate.com/news/20216474.html?showAll=y&c=y>

[\[BACK TO TOP\]](#)

LaCHIP makes gains

The Advertiser | 06.17.08

Marsha Sills

About 5.4 percent of Louisiana's children are uninsured, but the figure is a vast improvement from the 25 percent of Louisiana children who had no health insurance before the Louisiana Children Health Insurance Program's creation 10 years ago.

That number is expected to dwindle even more with the state's expansion of the program to include those families who made too much to qualify, but still couldn't afford private coverage.

"Our goal is to get the number of uninsured children to zero," said Alan Levine, Louisiana secretary of the Department of Health and Hospitals.

More than 115,000 children were enrolled in LaCHIP, according to figures from earlier this year.

The program is a federal-state partnership that covers the most vulnerable of the state's population. The state's original program covers those children in families who make 200 percent below the Federal Poverty Level, which this year is \$42,400 for a family of four.

The expanded program called LaCHIP Affordable Plan extends coverage to those families who make 250 percent of the Federal Poverty Level, or \$53,000 for a family of four. Under the plan, coverage is provided for \$50 per month per family. The state's Office of Group Benefits acts as a third party insurer. Co-payments will be based on a percentage of the visit cost, but annual out-of-pocket expenses will not exceed 5 percent of the family's gross income.

Enrollment in the expansion program began earlier this month. So far, only 468 children in the state from 276 families have applied for the program. But it's expected to include 6,500 children within the next year, Levine said.

Last year, the Legislature approved an expansion of the program and it was approved by the Centers for Medicare and Medicaid earlier this year.

Educating the public about the program and getting families to enroll has been a major hurdle, said U.S. Rep. Charles Boustany, R-Lafayette.

The program, which was created in 1997, was up for reauthorization last year. Boustany voted against reauthorization of the program that would have increased funding and allowed states the option to expand coverage. A measure that would have increased funding by \$35 billion during a five-year period was vetoed by President Bush, who warned he would only approve a \$5 billion increase.

Boustany supported Bush's call and voted against a veto override. On Monday, Boustany defended his votes and said the bill made no provisions to enhance enrollment in the programs and would have expanded coverage to adults and immigrants. The bill did include grants for enrollment efforts and gave states the option to expand coverage to low-income pregnant women and legal immigrants.

While Boustany defended his votes, the Louisiana Democratic Party called at his participation in today's event "hypocrisy" and criticized him for voting against the reauthorization. Boustany said he has supported the program, but couldn't support the bill when eligible children are not currently enrolled in the program. While the reauthorization was being debated in Congress last fall, Ruth Kennedy, the state's program director had said that about 81 percent of those children eligible for the program were covered. At the time, Kennedy said few states had higher coverage, with Vermont at the highest of 91 percent.

"We wanted to make sure we have a program that serves the children who needed it," Boustany said.

In December, Congress worked on a compromise and provided a reauthorization of the program through next March. Boustany voted in support of that measure.

[\[BACK TO TOP\]](#)

While the veto translated into a \$10 million shortfall for Louisiana's program, Congress agreed to match states' expenses to prevent program deficits through March 2009, said Dawn Love, public information officer for the state's program. The state receives \$84.1 million from the federal government for the program and puts up its own 20 percent. The federal funding cycle begins again in October, but it's likely that the state will need to dip into its shortfall coverage funding before then, Love said.

Quarterly spending in the program averages \$45 million to \$50 million, she said.

Boustany and Levine were joined by City-Parish President Joey Durel and area council members for a press conference about the expansion program held at Gethemane Church of God in Christ in Lafayette.

That partnership among city, state and federal governments is imperative to improve our communities, said Bishop Roy Winbush, pastor of Gethemane, which hosted the event to help families learn about the program.

Many families still don't know about the program.

Kimberly Alexander held her four-month-old son, Kaiden, against her chest as she listened to an explanation of the program. Her son needed stomach surgery after he was born, but his health has improved, she said.

"I had heard about it, but wasn't sure what it was or what it offered," Alexander said. "I wanted to see what benefits I could have for any emergency situations."

Families who don't qualify for the original program have been accepting of the alternative plan, said Carol Stephens, Medicaid area manager for Lafayette.

"You wouldn't believe how agreeable people are to enroll in the program when they learn about the option," Stephens said. "So far, it's been well received."

Originally, the state wanted to expand the program to 300 percent of the Federal Poverty Level, however the Centers for Medicare and Medicaid discouraged it, citing that the state needed to enroll more children in the existing program before it could justify an expansion beyond 250 percent.

Now that the state is expanding the program, it needs to ensure that the access to care is there, Boustany said.

"You can have coverage, but oftentimes that doesn't mean you can see a doctor," he added.
<http://www.theadvertiser.com/apps/pbcs.dll/article?AID=/20080617/NEWS01/806170317/1002>

[\[BACK TO TOP\]](#)

Boustany encourages LaCHIP enrollment

The Advocate | 06.17.08

By PATRICK COURREGES

LAFAYETTE — U.S. Rep. Charles Boustany Jr. held a meeting for parents to push for enrollment of children in the state's version of a federal program intended to provide health insurance for children of lower income families.

Boustany, R-Lafayette, state Department of Health and Hospitals Secretary Alan Levine, Lafayette City-Parish President Joey Durel and several council members were present at a noon gathering of parents at the Gethsemane Church's La Petite Early Childhood Center in Lafayette.

The Lafayette congressman said he called for the gathering to help spread the word about the availability of the LaCHIP program — funded by a mix of federal and state money.

Boustany said he pushed last year for the continuance of the federal program and a \$5 billion increase in federal funding for it, and he supported Levine's call earlier this year to raise the maximum eligible income for families.

The old rules allowed families making up to twice the federal income standard for poverty to participate in the program, and the new rules allow for families with incomes of up to two and a half times the poverty rate to receive some level of benefit from LaCHIP.

According to DHH numbers, about 9,300 additional children in the state are from families that could now be included in the program with the increasing of maximum eligible income.

Boustany, a former surgeon, said the issue of health care, especially for children, is important to him.

He said that the federal, state and local levels of government must all work together to ensure as many children as possible have health insurance.

"If we're going to make our community better, it's got to be a partnership," Boustany said.

Levine said that about 646,000 Louisiana children are covered by either Medicaid — the federal government's insurance program for the poor — or LaCHIP.

He said that about 5.4 percent of Louisiana's children eligible for the program — in the range of 60,000 to 65,000 — are still uninsured.

Levine said that his goal for the coming year is to enroll at least 28,000 more eligible children.

He said DHH had already made an enrollment push in north Louisiana earlier in the year and another is planned for the Lafayette area in August.

Boustany said the drive to have parents enroll their children in the program has to reach out through schools, stores and churches.

Lafayette City-Parish Councilman Kenneth Boudreaux also spoke at the meeting, saying that the work already done to provide the means to pay for health care serves only part of the need.

He said that availability of health care providers near the homes of people who need it is the next issue that must be addressed.

<http://www.theadvocate.com/news/acadiana/20003934.html?showAll=y&c=y>

[\[BACK TO TOP\]](#)

New health clinic addresses equal access concerns

The Advertiser | 06.18.08

Marsha Sills

About 21,000 Lafayette Parish residents have no health insurance. But even health insurance doesn't always equal access.

While Lafayette is one of nine parishes in the state not considered to have an overall shortage of primary health providers, there is one zone of the parish designated with a shortage. That pocket of need is in northeast Lafayette. And one new clinic is seeking to bring health care into the neighborhoods of northeast Lafayette who need it most.

Open for less than a month, the SWLA Center for Health Services Clinic is Lafayette's first federally qualified health center, a classification of nonprofit health centers which receive federal funding to offer affordable care to the uninsured and medically underserved.

Located in a new homeownership neighborhood created by the Lafayette Housing Authority, the clinic is a partnership between the Housing Authority and the SWLA Center for Health Services in Lake Charles, which has operated its own clinic for the past 25 years.

"Lafayette was the last one of the major metropolitan areas in Louisiana that did not have a federally qualified health center," Taylor said. "We wanted the citizens of Lafayette to have equal access to primary care services."

The state's major cities: Baton Rouge, New Orleans, Lake Charles, Alexandria and Shreveport all have center sites.

Two other nonprofits in Acadian operate federally qualified health centers - Iberia Comprehensive Community Health Center in New Iberia and Abbeville and Southwest Louisiana Primary Health Care in Opelousas. The locations draw patients from across Acadiana, including Lafayette.

While the target population of the Lafayette clinic is in part housing authority residents, the clinic is open to anyone - insured or uninsured.

"One of the needs of our residents and particularly people that live at or below the poverty level is affordable health care," said Walter Guillory, director of the Lafayette Housing Authority. "That was one of our goals to go along with our home ownership program - provide affordable health care, not only for our residents but anyone."

Last year, the state estimated that more than 540,000 Louisiana adults, or 21 percent of the adult population, had no health insurance and about 22,000 in Lafayette Parish or 16 percent were uninsured.

While emergency rooms and doctor's offices are packed, the lobby the new Lafayette clinic sits empty most days.

Since its opening on May 27, the new community health clinic in the St. Antoine Gardens neighborhood has seen a little more than 20 patients.

But word about the program is getting out. A radio interview last week on KJCB brought in more patients, including walk-ins, who had never heard of the clinic.

Patients like, Curtis Brown, 60. Brown walked the short distance from his St. Antoine Street home to the clinic last Thursday. Brown doesn't own a vehicle, never has, he said proudly.

He takes medication to control his blood pressure. He usually takes the bus to UMC or the shuttle to the VA hospital in Alexandria. Both trips take up most of his day.

But after hearing on the radio how close the clinic was, he decided to check it out for himself.

[\[BACK TO TOP\]](#)

"I came by to renew my prescription for my blood pressure medication, rather than going to wait at UMC," he said. "I think it's wonderful. It's like having a hospital in the neighborhood. It's extremely needed, especially for those that don't have transportation."

The clinic's director, Dr. Vanessa Thomas, is a familiar face for some in the community. Thomas completed her residency at UMC and for three years worked at the Iberia Comprehensive Community Care Clinic's satellite federally qualified health center in Abbeville.

The clinic provides care for adults, pediatric, women's health, has lab services and is able to handle minor surgeries, she said.

Anyone who walks through the door is treated whether the person has insurance - Medicaid, Medicare or private - or not. Those with no insurance pay on a sliding fee scale based on their income.

Thomas said some have a misconception that the clinic is only for Housing Authority residents or Lafayette residents.

"We can treat anybody from anywhere," Thomas said. "We don't want to discourage anyone from coming."

Right now, the staff is small, and Thomas is looking for licensed practical nurses to add to the staff.

Mandates also require the centers to offer certain health services, including dental and mental-health services.

The six-exam room clinic is housed in a modular building on the corner of Hellen and Gilman Streets, but a permanent clinic will be constructed in the next few years on Patterson Street, near the site of the Housing Authority's newest home ownership neighborhood.

The expansion will also lead to more services offered, including dental, Taylor said.

The clinic was desperately needed in the community, said Joe Dennis, a community activist who sits on the clinic's board of directors.

"The majority of people that live in that area and in the Housing Authority, very few of them have insurance and don't have what it takes to get the kind of treatment they may need," he said. "People wait until it's an emergency and go to the emergency room and it costs everybody. But you could have taken care of that problem at a small expense in the beginning without it becoming something major."

The centers receive federal funding to provide health access in underserved areas.

Recently, the U.S. House of Representatives approved legislation that reauthorized funding for the centers. And last year, the state Legislature approved funding of the centers, and rural health centers, for the first time in the state's history in recognition of the need the centers fill across the state.

The reauthorization measure approved earlier this month by the House, would increase federal funding for the centers by a total of \$1.3 billion total increase in the next four years.

The funding increase is crucial for the centers to continue to expand their outreach in communities, according to Angela Sheffie, deputy director of the Louisiana Primary Care Association. The association represents the state's 21 private nonprofit and community health centers.

The 21 organizations have some 61 sites across the state serving the medically underserved and uninsured, according to Sheffie.

In an e-mail response, Sheffie said that Congress was urged to increase funding for the 2009 fiscal year by \$248 million. Last year, the increase was only \$77 million, she said.

<http://www.theadvertiser.com/apps/pbcs.dll/article?AID=/20080618/NEWS01/806180324/1002>

[\[BACK TO TOP\]](#)

Higher insurance coverage faces Senate

The Advocate | 06.17.08

By JORDAN BLUM

Legislation that would require many Louisiana drivers to buy more auto insurance moved rapidly through the Senate on Tuesday.

House Bill 1312, which would increase minimum motor vehicle liability insurance, is just one step from the governor's desk.

The House must concur with Senate committee amendments for legislative approval to become final.

HB1312 would increase the liability minimums to 15-30-25, meaning the insurance of the driver found at fault in an accident would pay at least \$15,000 for the property damage of others, \$30,000 for everyone hurt or killed in an accident, and up to \$25,000 per person injured or killed.

The increase of coverage would take place upon renewal of policies after Jan. 1, 2010.

The new policies, insurers say, would cost drivers more.

State law requires motorists to carry at least 10-20-10.

About 40 percent of the state's 4 million drivers buy the minimum required coverage.

Proponents contend that is far too low to cover serious accidents on the road.

Last year, former Gov. Kathleen Blanco vetoed legislation to increase insurance to 25-50-25. She argued it would drive up insurance costs and lead to more uninsured people on the road who could not afford the additional coverage.

Gov. Bobby Jindal has taken no public stance on HB1312.

State Sen. Danny Martiny, R-Kenner, said the legislation is much more palatable than last year because of the smaller increases and the 2010 start date.

The Senate approved the bill on a 32-2 vote, without any discussion besides Martiny's quick decision.

The only opposition came from state Sens. Robert Adley, R-Benton, and Nick Gautreaux, D-Meaux.

The House previously approved a stronger 25-50-25 minimum by a 57-35 vote.

HB1312 sponsor state Rep. Erich Ponti, R-Baton Rouge, agreed to lessening those amounts when the changes were adopted in Senate committee.

<http://www.theadvocate.com/news/20215044.html?showAll=y&c=y>

[\[BACK TO TOP\]](#)

NGO funding next on Blueprint La.'s hit list

Tri-Parish Times | 06.17.08

By MIKE BROSSETTE

The government reform group Blueprint Louisiana came to the Houma area last Wednesday with some good news about state government, but Louisiana is still bogged down with many of the same old problems.

"We are resource rich," said Bill Slaughter, president of the Baton Rouge management consulting firm SSA Consultants, which was hired by Blueprint Louisiana to promote the group. "Most states would be envious. We have wonderful people. But we've taken little advantage of the resources we have. ... There are an awful lot of people in the state who don't lead the quality of life they deserve."

Blueprint Louisiana, comprised of business leaders from across Louisiana, was formed last year. In the 2007 state gubernatorial and legislative elections, the group endorsed only candidates who signed the Blueprint Louisiana agenda containing items outlining reforms in ethics laws, education, workforce development, healthcare and transportation. The organization promised to pressure candidates who signed the agenda to follow up on their pledges.

"It was a contract, essentially," Slaughter said. "If you sign on, we'll give you our stamp of approval. ... We established a watchdog association to make sure they do what they say they will do by signing Blueprint."

Slaughter said 82 percent of the state Senate and 71 percent of the House signed the Blueprint Louisiana agenda. Gov. Bobby Jindal has signed on to the agenda as well, after initially refusing. Slaughter said Blueprint spent more than \$1 million in 2007 promoting its reforms. The priority on the group's list was pushing for ethics reform in the state. Rudy Gomez, a consultant with SSA, said Blueprint's biggest success so far was seeing the passage of campaign-finance disclosure laws during the first special session of the Legislature this year.

"The biggest deficiency was financial disclosure," he said. "We hadn't required any financial disclosure for legislators. A big coalition was built to get that one done."

"We want to change perceptions," he said. "People have looked down on us and our colorful past."

Blueprint's next ethics target is the \$30 to \$70 million spent by the state on non-governmental organizations within Louisiana. Gomez said much of the money is going into slush funds. Blueprint says many NGOs in the state have ties to legislators. The group wants to eliminate last-minute funding of NGOs and to have more detail about how the money is being spent.

"That's what good government is," Gomez said. "The most important thing is these issues are being addressed. Foundational things have been done."

The state's public healthcare system also needs more sunshine, according to Blueprint Louisiana. Louisiana spends \$1 billion a year on providing healthcare services to the uninsured, but the state maintains little data on how the money is spent, he said. The state does not even know the number of people being served.

"We need to require them to report what services they're providing," he said. "If we know what services are provided, we can serve the uninsured better."

In education, Gomez said an aspect of the state's public education system admired by outsiders is its pre-kindergarten program. Blueprint advocates access to pre-kindergarten for all 4 year olds in the state.

He said, "Everybody loves pre-K but it has a high price tag."

Concerning transportation issues, Blueprint would like to see the state's slow-moving Transportation Trust Fund bypassed. The group wants toll roads built in the state. "We don't spend enough on transportation infrastructure," Gomez said. On its reform agenda, Blueprint originally did not include coastal restoration issues, but added them following pressure. Gomez pointed to the \$300 million allotted to coastal projects in the second special session of the state Legislature this year as a success on that front.

http://www.tri-parishtimes.com/articles/2008/06/17/news/197_52_ngopg1.txt

[\[BACK TO TOP\]](#)

Return of the banana republic

GBR Business Report | 06.16.08

By JR Ball (Contact)

So now we know the following about our state legislators:

- They care more about lining their own pockets than funding higher education, health care and Pennington Biomedical, all of which felt the budget ax during the legislative session that wraps on Monday.
- They care more about making the payments on their expensive vehicles, like the S500 Mercedes Benz [\$70,000 retail] Sen. Ann Duplessis apparently drives, than school vouchers and workforce development, items legislators threatened to veto if they didn't get their way.
- Many Republicans, including Baton Rouge's own Erich Ponti, clamor about the need to deflate the ever-expanding state budget, demanding tax and spending cuts, but have no problem making it rain when it fattens their wallets and purses.
- They believe it's a moral imperative to be in the top 10 on the nation's legislative pay list but have no problem with this state being in the bottom 10—make that bottom two—in pretty much everything else.
- They believe part-time public servants should earn roughly twice as much as the average full-time working Louisiana citizen.
- They think what they do is worth twice the pay of the typical Louisiana teacher.

All of this was learned over 72 whirlwind hours last week that saw legislators 1) kick sand in Gov. Bobby Jindal's face—threatening to defeat key bills and shut down state government if he got in their way—before 2) giving themselves a 202% raise by tying their base salary to 30% of whatever someone in Congress makes. The passage of Senate Bill 672 jacks the salary of your rank-and-file legislator to \$50,790, up from \$16,800, and when you factor in the perks of per diems and expense allowances that figure soars to as much as \$70,000. Those in leadership positions earn an additional \$5,000 to \$15,000.

You want more? Here's your ultimate kick to the groin: Not only did members of the House and Senate vote to more than triple their salary, but because their compensation is tied to what Congress earns they're going to get another 2.8% bump in January. So ... between today and six months from now the base pay of your state legislator will soar 211%, to \$52,212. The irony is that while legislators were voting to give themselves the eighth-highest legislative base salary in the nation, the Annie E. Casey Foundation was announcing that Louisiana is 49th in the well-being of its children, avoiding the dreaded 50-spot only because our teen pregnancy rate is on the decline.

Jindal says the raise is "over the top" but has promised his blackmailers there will be no veto. He might want to show something I like to call "leadership" and rethink that move. Otherwise, unless the House pulls a 180 and either defeats the bill or significantly cuts the dollar amount, this legislation will overshadow every item on his precious agenda. The New York Times might not write about it, but every publication the voters of this state actually read will hammer anyone remotely tied to this brazen greed from now until Election Day three years down the road. Trust me, the rabid anger frothing from the mouths of voters will still be there in October and November of 2011.

Here's an idea: If legislators need a raise, then how about tying their pay [including expenses and per diems] to that of public school teachers in this state? Here's another one: If Jindal is too weak to reject the raise, then maybe he can get his point across by rejecting every NGO [slush fund] request that slides across his desk. I'm good either way.

Republican House Speaker Jim Tucker says we're the crazy ones, claiming "if we're going to have an educated, qualified Legislature, you have to have decent pay." Maybe he's right. Because what we've got now is a State Capitol filled with legislators who are either politically stupid or unqualified.
<http://www.businessreport.com/news/2008/jun/16/return-banana-republic/?columnists>

[\[BACK TO TOP\]](#)

Pay Raise Hell

The Independent | 06.18.08

By Scott Jordan

What started out as a ridiculous bill destined to gain little traction — New Orleans Democratic Sen. Ann Duplessis' proposed legislation giving elected officials a 200 percent pay raise — passed the Senate last Tuesday, and that's when all hell broke loose.

Just on the face of it, the original bill defied belief. A modest pay raise for legislators is one thing, but tripling base salaries from \$16,800 annually to \$50,700 annually flies in the face of any form of common sense. And the timing is truly galling. Gas prices are now \$4 a gallon and rising, food prices are skyrocketing, and the cost of health insurance continues to be a heavy burden for most Louisiana families. Yet a large contingent of politicians thinks this is a perfect time to give themselves a massive pay raise. To its credit, most of the entire Acadiana delegation voted against the bill, with the exceptions of Republican state Sen. Mike Michot and Democratic state Sen. Eric LaFleur, who both voted in favor of the raise.

Michot and LaFleur had plenty of company, and the political wrangling driving the bill made voters' blood boil. If you weren't keeping score, Republican Speaker of the House Jim Tucker spearheaded the charge for the pay raises, and the unspoken message was that if Gov. Jindal vetoes the legislative pay raise, then the rest of the legislation that Jindal's pushing — including his controversial school vouchers bill — will die on the vine in the Legislature.

And Jindal, the wunderkind who pledged to restore fiscal conservatism to Louisiana, seems just fine playing ball with Tucker. Jindal issued a statement through his press secretary that he "strongly disagrees with the pay increase," and also told The Associated Press that he — get ready for this — won't veto the bill if it reaches his desk.

That was the backdrop to last Friday's vote in the House, where despite pressing the flesh all morning and trying to cut deals, it became clear that Tucker didn't have enough votes to pass the bill. That led to an amended bill that still feels like a callous money grab; legislator pay raise version 2.0 still doubles lawmakers' salaries. And on Monday, the Senate passed the bill, leaving Gov. Jindal as the last defense to veto a bill that's sparked widespread outrage among voters.

Barring a last-minute change of heart, Jindal inexplicably still says he won't veto the bill. His rationale? "I will keep my pledge to let them govern themselves and make their own decisions as a separate branch of government," he said in a statement. "I will not let anything, even this clearly excessive pay raise, stop us from moving Louisiana forward with a clear plan for reform."

If Jindal doesn't veto it, he looks like a spineless figurehead who's content to sit by idly on the sidelines and give up one of his core campaign promises. Just last Sunday, Jindal appeared on CBS' Face the Nation, and between more coy non-denial denials about his chances of being U.S. Sen. John McCain's running mate, our governor outlined the main reasons he believes the Republican Party has lost its way. To reclaim its majority status, Jindal said the GOP needed to look back to the stands it took in the 1990s.

"The reason was the party stood against wasteful spending, against corruption," Jindal told Face the Nation. "It was a party of ideas like welfare reform, stood for conservative principles. The problem was the party went to Washington to change Washington, and instead became captured by Washington; all of a sudden [the GOP] started defending the bridge to nowhere: earmarks, wasteful spending, things they would have rightfully condemned if the other party had proposed it. ... I think the way we start winning elections again is by being conservative, by sticking to our principles and not condoning."

You don't have to be a Rhodes Scholar to see that Jindal sings an entirely different tune depending on whether he's talking to the national media or Louisiana media.

Right now, Jindal and the legislators who voted for the pay raise all look foolish. The Legislature's giving Jindal a bit of payback for the heavy-handed tactics his administration's used with lawmakers since taking office, but they couldn't have picked a dumber issue to make their point. And if Jindal can't see the wisdom of standing up to the Legislature this early in his tenure — especially on an issue that the public is clearly outraged over — it's going to be a loooong, unproductive slog through the rest of our young governor's tenure.

http://www.theind.com/index.php?option=com_content&task=view&id=2673&Itemid=1&ed=1029

[\[BACK TO TOP\]](#)

Who is Michael Martin?
GBR Business Report | 06.16.08
 By Steve Clark (Contact)

Hometown: Crosby, Minn.
 Birth date: Jan. 29, 1947
 Family: Wife, Jan; daughter Amanda and son Sam

Education: Bachelor's, business and economics [Minnesota State Mankato, 1969]; master's, economics [Minnesota State Mankato, 1971]; doctorate, applied economics [University of Minnesota, 1977]

Professional highlights: President, New Mexico State University [2004-present]; vice president for agriculture and natural resources, University of Florida [1998-2004]; vice president for agricultural policy, University of Minnesota [1997-98]; dean, College of Agriculture, Food and Environmental Sciences, University of Minnesota [1995-98]; professor, Department of Applied Economics, University of Minnesota [1992-95]; professor, Department of Agriculture and Resource Economics, Oregon State University [1977-92]

What kind of chancellor is LSU getting in Michael V. Martin, the current president of New Mexico State University who will officially start his new job in Baton Rouge on Aug. 1?

To get an idea, Business Report checked in with a handful of people who have watched Martin during his four years as head of the school, located in Las Cruces, less than 50 miles from the Mexican border.

While most of them had nice things to say, there was some criticism of the 61-year-old Crosby, Minn., native who holds bachelor's and master's degrees from Minnesota State Mankato and a Ph.D. from the University of Minnesota.

Martin accepts the LSU job as controversy roils his campus over allegations of racial discrimination and sexual harassment from two College of Health and Social Services faculty members whose contracts were not renewed earlier this year. Much of the criticism was aimed at Martin and other members of the university's administration and board of regents. One Martin supporter, however, says things are being stirred up by a small group within the university that doesn't represent the majority view.

Heath Haussamen, who runs a popular blog on New Mexico politics, says Martin has good relationships with the local business community, a talent for fundraising and the support of several state legislators, though he's less popular with members of the university community more focused on academics and the traditional role of the university. The demands of fundraising dictate that Martin's primary focus is largely external, Haussamen says.

"Raising money is necessary, but the students are the reason you're there," he says. "You can't ignore them, and a lot of people think he has."

Haussamen says the university's board of regents thinks the world of Martin and has basically given him free rein as university president, though Haussamen says Martin can be touchy when it comes to media coverage.

Recalling an episode from his pre-blogger days as a reporter with the Las Cruces Sun-News, Haussamen says Martin got mad about a story on the NMSU administration's 2005 "disarming" of the university's mascot—formerly "Pistol Pete" and now just "Pete."

"He takes things so personally," Haussamen says. "It's just kind of the way he does business."

But Martin has a champion in Sen. Mary Kay Papen, a Democratic member of New Mexico's Legislature whose district includes Las Cruces.

"He has, I think, done a remarkable job with lobbying for the university, getting funds for the university," she says. "I think he's done a remarkable job with the community. I think he's extremely good at forging ties with the business community."

Papen says Martin and his wife, Jan, have become "part of the fiber" of Las Cruces. Papen says she's sorry to see Martin leave for LSU, but acknowledges not everyone feels that way. Not being a member of the NMSU community, Papen wouldn't comment on issues there.

“His tenure certainly hasn’t been without his hard bumps in the road,” she says. “Any position that you hold that has any kind of authority has its bumps in the road.”

Stan Fulton, a multimillionaire philanthropist who lives in Las Vegas, Nev., but owns a racetrack and casino near NMSU and has donated large amounts of money to the university, says LSU should consider itself “very lucky” to land Martin, who Fulton describes as “very qualified and a good guy.”

Martin will get \$400,000 a year plus another \$125,000 in annual deferred payment if he sticks around for at least five years. In that case, he’ll be making about \$125,000 more at LSU than his current salary at NMSU. But Fulton says he doubts Martin’s decision to go to LSU had to do with money.

He thinks Martin took the LSU job to return a favor to LSU System President John Lombardi, who gave Martin a job at the University of Florida when Lombardi was president there in the late 1990s.

“It’s very interesting,” Fulton says. “Before we had Michael Martin we had Jay Gogue. He left New Mexico State to head up the University of Houston. From there he went to Auburn. Now we’ve lost Michael Martin to LSU. It looks like New Mexico is a great state to prepare presidents to go elsewhere.”

Laura Conniff, a NMSU regent, says she’d be delighted if LSU decided it didn’t want Martin after all.

“You’re getting a great deal more for your money than you have any idea,” she says. “Mike, in my opinion, is an extraordinary leader and what I would consider—the term is sometimes overused—more of a visionary. He can see an organization and where it should go, and he does very good job of getting it there.”

As for the heat Martin is feeling at NMSU, Conniff guesses it’s caused by a “very small percentage” of faculty that has blown things out of proportion. Regarding his habit of “shooting from the hip” in conversations with faculty, students and administrators, Conniff says that’s not such a bad thing.

“He’s outspoken, but he’ll tell you what he thinks and it’s not necessarily what you want him to say,” she says. “I admire that quality.”

Finally, Martin himself says LSU is getting a blue-collar kind of guy who’s “pretty close to the ground” who likes to engage with a university, on many levels.

“I’m not an imperial president or chancellor,” he says. “My natural inclination is to get involved on campus and beyond. I think I understand how to delegate. But I like to feel part of the fabric of the university, not just a face that represents it.”

That’s at odds with Haussamen’s characterization of Martin as preoccupied with external affairs, though Martin admits he and Haussamen—a former editor of the NMSU student newspaper—haven’t always seen eye to eye.

Martin says he was upset the Pistol Pete article didn’t mention the main reason for deep-sixing the six-guns: so NMSU could stop paying royalties to Oklahoma State University, which owns the Pistol Pete trademark. Martin says he’s been ravaged in print before—fine as long as the reporter gets it right.

“If it’s a legitimate beating, it doesn’t bother me,” he says.

Asked about the furor over the faculty dismissals, Martin says a recently released report found Martin’s administration followed the proper university policies and procedures. Communication could have better, he concedes.

And Martin knows he won’t get everything right at LSU, where he plans to push the university into a more entrepreneurial, community-engaged, 21st century state of mind.

“If you hire me, I promise I will make some mistakes,” Martin says. “But you have to be willing to transform yourself. That means taking some risks.”

<http://www.businessreport.com/news/2008/jun/16/who-michael-martin-edn1/>

[\[BACK TO TOP\]](#)

Jefferson will defend his seat in Congress

Times – Picayune | 06.18.08

By Bruce Alpert

WASHINGTON -- Rep. William Jefferson, D-New Orleans, announced Tuesday that he will seek re-election to a 10th term even as he faces a Dec. 2 political corruption trial that he called an "overly zealous" prosecution based on "false factual allegations."

A 16-count federal indictment filed in June 2007 "has not prevented my delivering for our district and our state," Jefferson said in a statement announcing his candidacy.

"My family and I have sworn a great oath to trust God and to fight on to vindicate ourselves and our good name," Jefferson said. "This we will do. And, in none of it, will I or they sacrifice our continued strong commitment and effective delivery of the things our people need to recover from the storm and from a bad economy."

After details of the federal investigation of Jefferson became public after a raid of his congressional office in May 2006, House Democrats stripped him of his position on the powerful House Ways and Means Committee.

He remains without a committee assignment in the 110th Congress, despite his surprisingly easy victory in a December 2006 runoff against state Rep. Karen Carter Peterson, D-New Orleans.

Some political analysts think Jefferson will have a harder time winning re-election this year, given that since his indictment the congressman's brother and political adviser, Mose Jefferson, and sister Betsy Jefferson, the Orleans Parish 4th District assessor, were indicted on charges they conspired to loot more than \$600,000 in taxpayer money from three charities they established to help inner-city youths.

Jefferson said he will run on his record "of effective service to the people of my district over the years and in particular over the last three years since Hurricane Katrina."

As a result of what he called his "close working relationship with members of Congress, Jefferson said the House has "repeatedly approved needed funds and legislation for our recovery."

State Rep. Cedric Richmond of New Orleans and Jefferson Parish Councilman Byron Lee announced last week that they are running for the 2nd Congressional District seat. Qualifying is July 9-11. The party primary is Sept. 6, followed by party runoffs Oct. 4 and the general election Nov. 4.

<http://www.nola.com/news/t-p/metro/index.ssf?/base/news-29/121376652267590.xml&coll=1>

[\[BACK TO TOP\]](#)

Study: Health costs to rise nearly 10 percent
Associated Press | 06.17.08

NEW YORK - Employer health care costs are poised to rise almost 10 percent in 2008 — more than double the annual inflation rate — and nearly that much again in 2009, according to an industry report released Tuesday.

The study by PriceWaterhouseCoopers predicts that medical costs will increase 9.9 percent in 2008 and an additional 9.6 percent in 2009.

"Health care providers, insurers and employers will have to monitor medical costs carefully if we are to avoid a resurgence of the double-digit annual increases seen in the past," said Dr. David Chin, leader of the Health Research Institute at PriceWaterhouseCoopers.

The report identified two factors driving the increase:

_A hospital building boom, as hospitals replace facilities and add private rooms and centers for outpatient treatment.

_An increase in the expenses those with insurance are paying for those without. Cost-shifting from the uninsured, Medicare and Medicaid will account for nearly one in every five dollars spent by private insurers in 2009, according to the study, as the federal government underfunds public insurance programs and the number of people with private insurance continues to decrease.

One of the things employers are doing in response is increasing wellness, prevention and disease management programs, which they say not only keeps employees healthy but also raises productivity.

PriceWaterhouseCoopers surveyed more than 500 employers and health plans, with total coverage of more than 11 million people, for the report.

http://ap.google.com/article/ALeqM5h-EknB11VOdN8QeH_pALVKfRLLTAD91BPPA00

[\[BACK TO TOP\]](#)

Writing New Prescriptions For Change

Washington Post | 06.17.08

By Lori Montgomery

From Capitol Hill to K Street, Washington is gearing up for another run at health-care reform.

The Congressional Budget Office has nearly doubled its health policy team, hiring 21 people in the past year. The Brookings Institution has snatched up more than a dozen researchers for a new center devoted to health-care innovations. Smaller Washington think tanks are also bulking up, stealing experts from academia, private companies and the Bush administration.

This time, unlike the ill-fated 1994 attempt led by then-first-lady Hillary Rodham Clinton, many political and policy experts say the stars may be aligned for Congress to make big changes.

"We have a broad consensus that we aren't getting nearly as much as we should for the money," said Mark B. McClellan, President Bush's former director of the Centers for Medicare and Medicaid Services who now heads the new Engelberg Center for Health Care Reform at Brookings. "There's an unprecedented level of agreement that something can be done and that something must be done."

That last point was hammered home yesterday at the Library of Congress, where the Senate Finance Committee hosted a daylong health-care "summit" featuring frustrated employers, worried economists and cheerful analyses of more-cost-effective systems in other countries.

In a half-hour speech to kick off the proceedings, Federal Reserve Board Chairman Ben S. Bernanke said spending on health care already consumes more than 15 percent of the nation's economy and about a quarter of the federal budget. It is "the single largest component of personal consumption," Bernanke said, "larger than spending on either housing or food."

And it is growing at a rapid pace, exceeding GDP growth by about 2 1/2 percentage points, on average, over the past four decades. If that pace continues, Bernanke said, health spending will exceed 22 percent of GDP by 2020 and will devour half of all federal spending by 2050.

"A piece of wisdom attributed to the economist Herbert Stein holds that if something cannot go on forever, it will stop," Bernanke said. "At some point, health-care spending as a share of GDP will stop rising. But it is difficult to guess when that will be, and there is little sign of it yet."

Then there's the problem of the uninsured: Last year, 47 million people -- 16 percent of the population -- lacked health insurance. That issue has received significant attention on the presidential campaign trail, where Democrat Barack Obama and Republican John McCain have both offered plans to increase coverage. Add widespread anxiety about rising health-care costs across the economic spectrum -- from big corporations to small employers to labor unions -- and many observers see a recipe for reform no matter who wins the White House in November.

Several groups already are working on legislation. Sens. Ron Wyden (D-Ore.) and Robert F. Bennett (R-Utah) are sponsoring the Senate's first bipartisan proposal for universal coverage. It would encourage the demise of employer-based health insurance by creating a state-run system requiring insurance companies to offer basic coverage to all applicants and requiring individuals without employer-based coverage to buy in.

A quartet of former Senate majority leaders is also working on model legislation. Republicans Bob Dole and Howard Baker and Democrats Tom Daschle and George Mitchell hope to introduce a plan in November. And Senate Finance Committee Chairman Max Baucus (D-Mont.) said he may offer his own plan later this year.

"I think people are tired of just yakking about this," Wyden said. "There have been so many blue-ribbon commissions. People just want to get going."

[\[BACK TO TOP\]](#)

At this point, however, few lawmakers seem to know where to start tinkering with a health-care system so vast and so complex -- and so critical, as Bernanke put it, to "economic growth, wages and living standards, and government budgets."

"I wonder if we're competent to answer some of the questions we're being called upon to legislate," Baucus mused yesterday.

That's where the newly beefed-up policy shops and think tanks aim to help. Under McClellan, the new Brookings center is evaluating and providing technical assistance to state programs, particularly those that try to do a better job measuring the quality and cost of care.

In 1994, "a lot of the focus was on financing and how to provide new subsidies and access to affordable health insurance. Now the focus is going to be much more on reforming health care itself, because that's all we can afford to do," McClellan said.

The Congressional Budget Office, meanwhile, is compiling a two-volume compendium of critical issues and options for health-care reformers, focusing closely on costs to the federal budget.

"There is increased analytical effort being dedicated to this topic in a variety of settings, including at CBO," said director Peter Orszag, whose health team is poised to grow from 30 to 51 people in less than a year. "Frankly, at this point, one constraint is finding the types of highly qualified people that we need for the effort. A lot of us are very actively recruiting."

Will the next administration do something big and bold? Orszag declined to speculate. Others predicted that, regardless of what the White House wants, lawmakers will go slow, preferring a piecemeal approach that makes small changes to expand coverage.

"Anything big is really extremely expensive or extremely disruptive or both. And there's no consensus on what the big thing should be," said Jim Jaffe, a longtime aide to former congressman Dan Rostenkowski (D-Ill.) who survived two rounds of health-care reform and now serves as vice president for public affairs at the Center for the Advancement of Health. "We aren't ready to cut the cord on the employer-provided system, Ron Wyden notwithstanding."

But others see an appetite for far-reaching reform.

"There's a broad-based desire to do more to make health care more accessible and more affordable," McClellan said. "If all that happens is some incremental reforms, that would be a missed opportunity." <http://www.washingtonpost.com/wp-dyn/content/article/2008/06/16/AR2008061602471.html>

[\[BACK TO TOP\]](#)

Fed Chairman Says Improving Health Care System Performance Critical Congressional Quarterly | 06.17.08

By Mary Agnes Carey, CQ HealthBeat Associate Editor

Changes to the nation's health care system will influence the pace of economic growth, wages, living standards and government budgets due to the sector's large and growing share of public and private sector spending, Federal Reserve Board Chairman Ben Bernanke said Monday.

Speaking at a "Health Reform Summit" at the Library of Congress sponsored by the Senate Finance Committee, Bernanke said that improving the performance of the health care system was one of the nation's most important challenges, with the key areas of concern being access, quality and cost.

"Taking on these challenges will be daunting. Because our health care system is so complex, the challenges so diverse, and our knowledge so incomplete, we should not expect a single set of reforms to address all concerns," Bernanke said. "Rather, an eclectic approach will probably be needed. In particular, we may need to first address the problems that seem more easily managed than waiting for a solution that will address all problems at once."

Senate Finance Committee Chairman Max Baucus, D-Mont., said he hoped speakers at Monday's summit would lay the groundwork for major health care legislation next year. Sen. Charles E. Grassley, R-Iowa, the panel's ranking Republican, called health care the year's top economic issue and implored lawmakers to find comprehensive solutions that deal with areas such as access and cost.

In his remarks, Bernanke noted that spending on health care services represents a major segment of the economy, exceeding 15 percent of gross domestic product (GDP). "A piece of wisdom attributed to the economist Herbert Stein holds that if something cannot go on forever, it will stop," Bernanke said. "At some point, health care spending as a share of GDP will stop rising, but it is difficult to guess when that will be and there is little sign of it yet." And as health spending continues to rise faster than income, health insurance and out-of-pocket payments "will become increasingly unaffordable," he said.

Higher government spending on health care also puts pressure on other areas of the budget, creating "increasingly difficult tradeoffs for legislators and taxpayers" that will require reductions in other government programs, higher taxes or larger budget deficits, Bernanke said. In 1975, federal spending on Medicare and Medicaid was about 6 percent of total non-interest federal spending. Today, he said, that share is about 23 percent. If current trends continue, rising costs of health care and the aging of the population will increase that share to about 35 percent in 2025, according to the Congressional Budget Office (CBO).

But as lawmakers focus on what's wrong with the nation's health system, they must also remember what's right, he said. New technologies have added cost to the system, but they have also improved the quality of care delivered. New drugs and treatments have improved the diagnosis and treatment of disease. "In devising policies to reform our health care system, we must take care to maintain the vitality and spirit of innovation that has been its hallmark," Bernanke said.

Bernanke's speech can be found at:

<http://www.federalreserve.gov/newsevents/speech/bernanke20080616a.htm>

[\[BACK TO TOP\]](#)

Fed Needs to Loosen Grip to Allow States to Fix Health Care, Some Experts Say

Congressional Quarterly | 06.17.08

By Whitney Blair Wyckoff, CQ Staff

The federal government may need to relinquish some of its control if it wants states to tackle health care coverage, said a group of experts during a bipartisan health summit held by the Senate Finance Committee.

“If it is a federal objective to encourage state experimentation and learn from state innovation, the federal government may need to provide states with more control over how health care is financed and delivered,” said Gary Claxton of the Health Care Marketplace Project at the Kaiser Family Foundation. He and other panelists spoke on Monday at a session on state based health care overhaul efforts in Massachusetts, Colorado and California.

Several federal programs and policies make it difficult for states to be experimental laboratories for health policy, Claxton said. For example, the Employee Retirement Income Security Act, or ERISA, limits the ability of states to pass legislation that impacts features of employer-health plans, he said.

“As a result, a state is unable to influence the scope or administration of health benefits for a large portion of employees and dependents residing in the state,” said Claxton, vice president and director of the Project.

He also said tax laws and federal health programs might also throw up barriers for states looking into overhauling their systems.

The federal government needs to make investments in a state’s plan, said William N. Lindsay, chairman of the Colorado Blue Ribbon Commission for Health Care Reform. States cannot be successful without federal support, he said.

The biggest issue states face when considering health care programs is how to pay for them, Claxton noted.

Jon Kingsdale, executive director of Commonwealth Health Insurance Connector Authority, held up Massachusetts as an example of a successful health plan, despite recent criticism that the state cannot support the cost of the program.

“The program is a victim of its own success in outreach and enrollment,” Kingsdale said. “To date, there is zero evidence of significant ‘crowd out.’”

Panelists also discussed the lessons learned from California’s attempt at health care overhaul.

“I just don’t think that if something has a problem at the state level that people should throw out that whole approach,” Claxton said.

While California’s program was unsuccessful, the state did achieve bipartisan participation, coalition building and public support, noted Len Nichols, director of the Health Policy Program at the New America Foundation.

Sen. Blanche Lincoln, D-Ark., who moderated the panel, emphasized the importance of reaching across the aisle in order to change health care. “We must continue our bipartisan coordination on all fronts,” she said. “We won’t get there unless we work together.”

[\[BACK TO TOP\]](#)