
CHAPTER 47: GREATER NEW ORLEANS COMMUNITY HEALTH CONNECTION

SECTION 47.0: OVERVIEW**PAGE(S) 2**

OVERVIEW

In the aftermath of Hurricanes Katrina and Rita, Louisiana's Department of Health and Hospitals (DHH) was awarded a \$100 million Primary Care Access Stabilization Grant (PCASG) for the period July 2007 through September 30, 2010. This three year grant was designed to restore and expand access to primary care services, including mental health and dental care services, without regard to a patient's ability to pay, by providing short-term financial relief to outpatient provider organizations. The PCASG was also intended to decrease costly reliance on emergency room usage for primary care services for patients who were uninsured, underinsured, or receiving Medicaid.

Outpatient provider organizations were required to create referral relationships with local specialists and hospitals, establish a quality assurance or improvement program, and provide a long-term sustainability plan. They were also required to be operational and serving patients at one or more health care sites; be a public or private nonprofit organization; have a formal policy to serve all people regardless of the patient's ability to pay for services; establish a system to collect, organize and report the data to DHH through the Louisiana Public Health Institute (LPHI); and provide plans if the organization intended to relocate or renovate health care sites.

On August 6, 2010, the state of Louisiana submitted a proposal to the Centers for Medicare and Medicaid Services (CMS) for a Medicaid Section 1115 demonstration waiver for the continued funding of various clinics currently funded by the PCASG. The state proposed to reduce discretionary Disproportionate Share Hospital (DSH) funding and increase support for primary care medical homes (PCMH). The demonstration waiver's funding approach would permit DHH to use up to \$30 million (total computable) in demonstration years (DY) 1, 2, and 3 and \$7.5 million (total computable) in DY 4 for specified PCMH providers. To maintain budget neutrality, the state would ensure that these amounts, when added to DSH payments, would not exceed the DSH allotment calculated in accordance with section 1923 of the Social Security Act.

The Greater New Orleans area, comprised of Orleans, Jefferson, St. Bernard and Plaquemines parishes, is one of the largest population centers in the state. It is home to over 800,000 individuals and represents roughly 20 percent of the state's population. According to the 2008 American Community Survey, nearly 40 percent of individuals living in the New Orleans area had incomes below 200 percent of the federal poverty level (FPL) and nearly 20 percent were uninsured, making the area one of the most vulnerable in the nation. Through the demonstration waiver, the state will:

- Preserve primary and behavioral health care access that was restored and expanded in the Greater New Orleans area after Hurricane Katrina with the PCASG funds awarded to Louisiana by the U.S. Department of Health and Human Services (HHS);

CHAPTER 47: GREATER NEW ORLEANS COMMUNITY HEALTH CONNECTION

SECTION 47.0: OVERVIEW**PAGE(S) 2**

- Advance and sustain the medical home model begun under PCASG;
- Evolve the grant-funded model to a financially sustainable model over the long term that incorporates Medicaid, Children Health Insurance Program (CHIP), and other payer sources as the revenue base; and
- Orchestrate change within the state in two broad phases with incremental milestones internal to each:
 - Phase 1 spans demonstration months 1-15 (October 2010 – December 2011) and focuses on access preservation and evolution planning. In demonstration month 10 (July 2011), the state submitted to CMS for review and approval an evolution plan to be implemented in Phase 2.
 - Phase 2 spans demonstration months 16-39 (January 2012 – December 31, 2013) and focuses on evolution plan implementation and assessment, successful transition to Medicaid and the State Health Benefits Exchange, and Demonstration phase-down.