

The LRHA Policy Corner

STATE & LOCAL ACTION:

****Governor Blanco Unveils \$20.3 Billion Budget Plan For Next Year***

Improved tax collections and federal hurricane aid wiped away grim projections of sweeping budget cuts for next year and boosted Governor Kathleen Blanco's budget to a \$20.3 billion proposal that would spare most state agencies from significant slashing, pour new dollars into colleges and increase public school teacher pay.

- The Governor's plan was presented Monday, March 6, 2006 to lawmakers, who will craft a final version of the state's budget for the fiscal year that begins July 1.
 - The proposal was a stark contrast to discussions and anticipated cuts that could adversely affect health services and create funding issues for universities.
 - The spending plan totals well above the \$18.7 billion budget approved by lawmakers last year.
 - Even after the state rebalanced its budget a few months ago to cope with a nearly \$1 billion deficit, Louisiana's budget still had grown to nearly \$20 billion because of the hurricane aid.
 - Additionally, Congress approved a large federal Medicaid bailout package to help Louisiana, and the state revised its tax collection estimates for this year and next year upward by \$511 million after economists determined they overestimated the tax slump caused by the hurricanes.
- The Governor's budget has set aside money to pay Louisiana's first \$156 million bill to the federal government for disaster response efforts - state officials want to review documents showing how the money was spent before actually making the payment.
- Negotiations will stretch through the upcoming regular legislative session - which begins March 27 - as lawmakers decide on a final spending plan.

****Health Department Outlines Relief For Uninsured Evacuees***

- Beginning March 13, 2006, Louisiana doctors, hospitals and other medical service providers who treated uninsured patients in the wake of Hurricanes Katrina and Rita can begin billing Louisiana Medicaid for services. (Payments will be distributed from pools of federal funds available for this purpose.)
- In order to be reimbursed for serving this population, service providers must have been enrolled as a Louisiana Medicaid provider as of August 24, 2005 and submit an invoice by June 30, 2006 for each Katrina evacuee or Rita evacuee served.
 - Providers will be reimbursed only for dates of service starting on August 24, 2005 for Katrina evacuees and Sept. 23, 2005 for Rita evacuees. (Services provided up to Jan. 31, 2006 will be covered.)

- Final approval on Louisiana's plan for the distribution of federal funds must be granted by the federal Centers for Medicare and Medicaid Services (CMS) and based on the guidance of CMS, this process could change.
- Louisiana Medicaid will reimburse providers only for evacuees who received medically necessary treatment, but who had no other source of payment for these services - providers can be paid for people who lived in the Katrina or Rita disaster zone and meet the above criteria.
 - Providers can be reimbursed for inpatient and outpatient treatment by hospitals, physician services, emergency ambulance transportation, home health services, treatment in nursing homes and various other medically necessary services as allowed by the federal government.
 - Providers can find the invoices to file these claims as well as more information about covered services and reimbursement procedures from www.lamedicaid.com and www.medicaid.dhh.louisiana.gov
 - Other questions can be addressed to (225)216-6288.

****Louisiana Medicaid To End For Hurricane Refugees In Other States***

Louisiana's Medicaid coverage is running out for hurricane refugees who are living in other states - people who left Louisiana because of Hurricanes Katrina or Rita will get 45 days' notice (more than four times the usual 10 day notice) to sign up for other coverage.

- The first batch of notices is going to people who are still getting Louisiana Medicaid or the Louisiana Children's Health Insurance Program and are living in Alabama, Georgia, New Jersey, Ohio and Tennessee.
 - Those states have shared their enrollment files with Louisiana.
 - Efforts are still underway to obtain similar files from other states that offered temporary coverage to hurricane evacuees, including Texas
 - As this is completed, similar mailings can be sent to those individuals in the coming months.
- For Louisiana Medicaid to cover a medical service or treatment, the provider rendering the treatment must be enrolled as a Louisiana Medicaid provider
- Individuals living out of state are having trouble finding doctors who accept their Louisiana Medicaid card.
 - To alleviate this situation – if those individuals enroll in Medicaid where they are living, they may have an easier time finding a doctor and accessing the health care needed.
- ❖ Anyone who decides to move back to Louisiana can call the New Orleans Regional Medicaid Office at (504)599-0656 to restart their Louisiana Medicaid coverage.
- ❖ Evacuees who return to Louisiana after enrolling in another state's Medicaid program must reapply for Louisiana Medicaid.
 - Applications are available through the Louisiana Medicaid hotline (1-888-342-6207) or at <http://www.medicaid.dhh.louisiana.gov>.

ON THE FEDERAL FRONT:

**Unemployment Benefits For Hurricane Victims Becomes Law*

The Katrina Emergency Assistance Act (S. 1777) was signed into law by President Bush on March 6, 2006.

- This law extends to 39 weeks the period during which certain individuals who lost their jobs as a result of hurricanes Katrina and Rita are eligible for disaster unemployment assistance.
- The Congressional Budget Office (CBO) has estimated that providing an additional 13 weeks of disaster unemployment assistance for only Hurricane Katrina survivors would cost \$115 million in 2006.

**Governor Blanco, Other Governors Testify Before Senate Committee*

Governor Kathleen Blanco testified on the morning of Tuesday, March 7, 2006 before the Senate Appropriations Committee, along with the Governors Rick Perry of Texas, Bob Riley of Alabama and Haley Barbour of Mississippi, on the additional \$20 billion President Bush requested in February for hurricane relief.

- She stated "We have been waiting for this funding since President Bush made his moving speech on Jackson Square in September, please do not make us wait any longer."
- The President's request for hurricane relief along the Gulf Coast includes \$4.2 billion in flexible community development block grants aimed at compensating Louisiana residents whose homes have been damaged or destroyed.
 - Louisiana officials felt as if the state was shortchanged when Congress approved \$11.5 billion in such funds in December.
- The Senate hearing came a day before its House counterpart was to vote on a whopping \$91 billion emergency spending bill providing \$19 billion in new aid to the region.
 - The House measure, while providing the \$4.2 billion in housing-related community development funds, declined to dedicate that money to Louisiana. (Senate Appropriations Committee Chairman Thad Cochran, R-Miss., has also indicated he's inclined against dedicating housing relief to just Louisiana – **See Below.**)

**House Panel Ok's The President's Supplemental Request*

The House Appropriations Committee approved a \$91 billion supplemental spending bill late Wednesday night (March 8, 2006) that would provide funds for military and civil operations in Iraq and Afghanistan, as well as hurricane relief for the Gulf Coast region.

- The funding total is close to the \$92.2 billion President Bush requested Feb. 16, which included \$72.4 billion for the war, foreign aid programs and spying activities and \$19.8 billion for hurricane relief.
 - The legislation would provide \$150 million more than Bush's request of \$9.4 billion for the Federal Emergency Management Agency disaster relief fund and would match the administration's request of \$1.5 billion for flood control projects, as well as \$4.2 billion for Community Development Block Grants (CDBG). (But the legislation does not specify that all the CDBG money would flow to Louisiana to deal with its housing needs, as the President proposed.)
 - Lawmakers from Texas have voiced concerns that Bush's request did not include any CDBG funding for their state.

**The mission of the Louisiana Rural Health Association is to serve as a unified voice for the promotion of rural health care through advocacy, education, and leadership. The information above was provided in part by the National Rural Health Association and gathered from various publicly released documents of news related sources.*