

## **Health-care interests support call to tap 'rainy-day' money**

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BATON ROUGE — Is it really raining?

That's a question lawmakers and the governor have been asking themselves since the regular session convened March 29. And an influential health-care association weighed in on the question of whether to tap into the state's "rainy-day" money Tuesday.

To obtain an answer, they're all studying the current economic climate, which forecasts a \$1 billion shortfall during the 2010-11 fiscal year.

The budget lawmakers are currently crafting in the regular session will be the spending plan for that term, effective July 1 until June 30 of next year.

Making matters worse, an additional \$1.7 billion decline is expected in the 2011-12 fiscal year, but there are already a variety of ideas stirring debate.

For example, Senate President Joel Chaisson, D-Destrehan, has a set of bills that would allow lawmakers to dip into the state's protected funds to get the badly needed cash.

In particular, Chaisson, who represents portions of Lafourche Parish, has proposed using about one-third, or \$250 million, from the so-called rainy-day fund this year and allow for future utilization during times of fiscal need.

The rainy-day fund today contains \$768 million, according to the state Treasury.

The Baton Rouge-based Public Affairs Research Council, a good government group, is opposed to all legislation that would undermine Louisiana's various protected funds, including Chaisson's bills.

While House leaders are still considering the idea, Gov. Bobby Jindal has suggested waiting to tap the money, officially called the Budget Stabilization Fund, until the budget picture worsens over the next two years.

“I think the rainy-day fund would be better used to help with our (fiscal year 2012) fiscal problems,” Jindal said. “We believe it’s important to be getting ready for bigger fiscal challenges in the years ahead.”

Crossing over to Chaisson’s side is the CARE Coalition, whose membership includes groups that represent nursing homes, dentists, pharmacies, emergency care providers and others.

John Matessino, CEO of the Louisiana Hospital Association, said the emergency is happening now and that the rainy-day fund should be tapped through the passage of Chaisson’s Senate Bill 1 and Senate Bill 2.

“Currently, unforeseen drops in federal funding, like the imminent reduction of stimulus funding and the pending decrease in federal money for Medicaid, are not calculated into the deficit for purposes of accessing the rainy-day fund,” he said. “The elimination of those sources of funding certainly qualifies as a rainy day and should be considered as the state addresses the budget.”

The coalition is also backing Chaisson’s Senate Bill 391, which would allow the state to reduce dedicated funds by 10 percent so that the money can be used other places in the budget.

It’s likewise supporting his Senate Bill 434 and Senate Bill 410, which collectively direct an additional \$30 million from the state’s tobacco settlement fund to the dwindling health care budget.

“The state is facing a \$900 million reduction in federal funds for Medicaid in 2012, which will result in fewer state dollars available to provide services,” said Tyron Picard of Lafayette, the executive vice president of Acadian Ambulance Service and a board member of the Louisiana Ambulance Alliance. “The loss of those funds will likely mean a reduction in critical, live-saving services available to patients.”

The CARE Coalition calls the health-care industry “one of Louisiana’s largest businesses and employers,” with more than 250,000 direct employees and a payroll topping \$8.3 billion.