

Nine of Louisiana's ten public hospitals to be privatized

E.P. Bannon
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Louisiana Governor “Bobby” Jindal is overseeing the privatization of nine out of the state’s ten public hospitals. Private takeovers will occur in New Orleans, Baton Rouge, Bogalusa, Houma, Monroe, Pineville, Shreveport and Lafayette.

These public “charity” hospitals are the only means of health care available to the poor and uninsured in Louisiana. In a state with one of the highest poverty rates in the country, this will have disastrous consequences.

Governor Jindal’s budget plan for the year cut \$780.6 million from funding for hospitals, currently under the administration of Louisiana State University (LSU). The cut effectively forces the facilities into privatization or closure.

The sell-offs are the governor’s response to federal reductions in Medicaid spending. The privatizations are expected to free up \$100 million of funds in the state budget.

In addition, the public-private partnerships plan to “generate savings” by laying off state workers and slashing retirement benefits. More than 5,000 employees will be laid off as a result of the privatizations. The Jindal administration is also considering a different proposal that includes a plan to scale back compensation for hospitals that care for the uninsured.

Officials have recently announced that the privatization plan will be more expensive than originally expected. The newly privatized hospitals will be left with a budget of \$1.03 billion, higher than the original \$955 million. All the same, they have announced that they are moving forward and are even ahead of schedule with parts of the process.

The LSU Board of Supervisors has already approved seven contracts. One agreement will lease the Interim

LSU Public Hospital, and the University Medical Center that is to replace it, to the Louisiana Childrens Medical Center. A second agreement will lease out a public hospital in Lafayette. Public hospital care in Baton Rouge has been shut down and transferred to the private Our Lady of the Lake Regional Medical Center. On Tuesday, the board agreed to lease out four more hospitals in Houma, Lake Charles, Shreveport and Monroe.

Also on the chopping block is the Huey P. Long Medical Center in Pineville. The center will be closed down and all operations will be transferred to a privatized facility in nearby Alexandria. This center provides much-needed care in pediatrics and orthopedics in an area where one in three children live in poverty. While these programs will be continued at the privatized Alexandria facility, it will be increasingly difficult for the poor and uninsured to receive proper care.

The LSU Hospital in Shreveport and the E.A. Conway Medical Center in Monroe will be taken over by the Biomedical Research Foundation (BRF). BRF board chairman Steven Skrivanos has announced that the company will not provide any funding for the LSU medical school in Shreveport, which shares a campus with the hospital.

Instead, the medical school will have to rely solely on state funding earmarked for higher education. Higher education in Louisiana has suffered massive cuts over the past two years under the supervision of Governor Jindal, with tacit support from the Democrats. Since 2008, the state has cut over \$220 million from higher education.

Members of the Louisiana state legislature have voiced concerns over the rapid pace at which the agreements between LSU, the Jindal administration and

BRF are moving. Local legislators have not had the opportunity to view the already approved Shreveport-Monroe contract in its entirety.

A resolution passed unanimously in the Louisiana Senate requiring the privatization proposals to be put to a vote in the Senate Finance Committee. A similar resolution passed in the Louisiana House calls for the Joint Legislative Committee to agree on the plans before any of the details are finalized.

The rumblings from Louisiana Democrats on the planned privatizations, however, stem only from their exclusion from the discussion on how to carry them out. “That’s our concern and the concern of a lot of our constituents,” said Rep. Marcus Hunter, D-Monroe. “It doesn’t allow for us to have any input in it.” Aside from the question of their “input,” they have absolutely no reservations with the overall proposal. In fact, the very budget cuts that forced the state hospitals into privatization were only able to pass because of bipartisan support from the Democratic legislators.

At the same time, Governor Jindal has made clear that his administration will move the privatization plan forward with or without the support of the state legislature. Jindal declared that the legislature does not have the authority to vote down the proposals but agreed to take any advice from the committees into consideration. “If they propose changes to the law, we’ll look at that legislation,” Jindal said during a meeting with reporters.

In other words, his administration is ready to ram through the proposals without regard for even a pretense of democratic procedure. On Monday, the proposed budget that passed in the House was killed under pressure from the Jindal administration.

The contracts themselves are conspicuously vague. The four most recently approved contracts (Houma, Lake Charles, Shreveport, and Monroe) had numerous blanks where financial terms were supposed to be located. Additions to the documents had been noted in places, but the attached pages were blank. Some 50 pages of the Shreveport-Monroe document are completely blank. According to a presentation to the LSU board on this contract, there remain a series of documents yet to be “confected.”

Both the speed at which the Jindal administration is attempting to finalize all contracts as well as the absence of important details within the documents

suggest that private firms will be handed a carte blanche in terms of restructuring and layoffs. All nine of the proposals will be finalized by June 30 and the privatizations will take place by the end of 2014.



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