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Economic Impact Of Healthcare Cuts Could Be Severe
Data Suggests 1 in 3 Hospitals Already Operating In The Red

(Baton Rouge) – For every $150 million cut from the state healthcare budget, more than 8,000 jobs will be lost, and the state could forgo more than $245 million in federal dollars.

This is a real risk to our economy as the state legislature debates massive cuts to address the billion dollar hole in the state budget, according to LHA President & CEO Paul Salles. He said hospitals want to be part of a “smart and reasonable solution” to help the state solve this budget crisis.

“We're very aware that Louisiana is in a budget crisis right now,” said Salles. “I think everyone knows that cuts to hospitals will harm patients and reduce services, but it’s important to realize how cuts will impact Louisiana’s entire economy - not just today, but for years to come.”

Hospitals are Louisiana's largest private employer, employing nearly 100,000 people directly and 300,000 indirectly. Hospitals account for $1.58 billion in state and local tax collections. Severe cuts to an industry so vital to both local and state economies would be “short sighted,” according to Salles.

In the past seven years, Louisiana hospitals have been cut by more than 26% equating to $1.4 billion. Recent data suggests 1 in 3 Louisiana hospitals are now operating in the red.

The patients and the cost of caring for them do not go away with budget cuts, according to Salles. Covering those underpayments is often shifted to businesses and individuals with insurance through higher premiums. Louisiana has one of the largest populations of uninsured in the nation.

As a result, hospitals are having to make tough choices between reducing services and investing in new life-saving technology, Salles said. Graduate medical education programs and mental health services are also at risk.

“We urge lawmakers to keep hospitals as a top priority during budget time so that they can continue to deliver on this promise of top-quality healthcare in Louisiana,” said Salles.

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About the Louisiana Hospital Association
Established in 1926, the Louisiana Hospital Association is a non-profit organization representing hospitals and healthcare provider groups across the state. The mission of the LHA is to support its members through advocacy, education and services. For more information, visit the LHA website at www.lhaonline.org, or follow us on Facebook at www.facebook.com/LAHospitals or on Twitter @LAHospitals.

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