



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MAY 24 2007

The Honorable Kathleen Babineaux Blanco
Governor of Louisiana
Baton Rouge, Louisiana 70804-9004

Dear Governor Blanco:

During my trips to Louisiana over the past several months, including my last visit in April, I have seen first-hand the ongoing challenges that the citizens of your state face as they rebuild their homes and lives in the aftermath of Hurricane Katrina. Of particular urgency is the need for better access to primary health care in the hurricane-affected communities. To help address these problems, I am invoking my authority under the Deficit Reduction Act (DRA) to make available \$100 million to restore and expand access to primary care in the Greater New Orleans area, comprised of the Jefferson, Orleans, St. Bernard and Plaquemines parishes.

This grant opportunity will enable Greater New Orleans providers to expand access to outpatient primary care that includes professionally delivered medical and mental health services, substance abuse treatment, oral health care, and optometric health care, regardless of a resident's ability to pay. I am hopeful that this funding, along with any additional funds that Louisiana may direct to these ends, will help stabilize and expand primary care access in these communities.

In addition, I want to call your attention to two other grant opportunities now available under the DRA authority. First, Louisiana is eligible to apply for a supplemental award of \$35 million for further enhancing the professional workforce supply in the Greater New Orleans area. Second, we are also making available an additional \$60 million for which Louisiana, Mississippi and Alabama are eligible to apply for payment to general acute care hospitals, inpatient psychiatric facilities (IPFs), community mental health centers (CMHCs) and skilled nursing facilities (SNFs) in impacted communities that may face financial pressures because of changing wage rates that are not yet reflected in Medicare payment methodologies.

This funding should serve as a bridge to a long-term solution, and we remain hopeful that Louisiana will soon submit a Medicaid waiver and Medicare demonstration request that will set it on a path to comprehensively address the long-term health care needs of its residents.

The enclosed letters from Leslie Norwalk, Acting Administrator of our Centers for Medicare and Medicaid Services, provide more details on these grant opportunities, including the criteria for grantees, allowed uses of the funding, and follow up reporting requirements. Our CMS staff stands ready to assist your team if they have any questions.

Sincerely,

Michael O. Leavitt

Enclosures