



January 11, 2007

Louisiana Recovery Authority
Dr. Norman Francis, Chairman
150 Third Street, Suite 200
Baton Rouge, LA 70801

Dear Dr. Francis:

As requested, I am writing to provide you with a progress report on our work to assist Louisiana in its effort to redesign its health care system. We have reviewed the concept paper submitted by the Louisiana Health Care Redesign Collaborative, and have been working closely with State officials since its submission, meeting on numerous occasions.

Just last month, the State provided us with data necessary to this analysis. Dennis Smith, Director of the Center for Medicaid and State Operations, is meeting with Dr. Fred Cerise, Director of the Louisiana Department of Health and Hospitals on January 24th; and we expect to be able to demonstrate that significant reform, consistent with the principles agreed to by the collaborative, can be affordably achieved.

The next step in the process is for the state to submit its Medicaid waiver request to the Department of Health and Human Services.

We have seen statements in press reports that we have concluded our discussions with the State. This is untrue. Similarly, we disagree with statements suggesting that the redesign of the Louisiana health care system is unaffordable. The basis of these widely varying cost estimates is unclear.

We continue to believe, based on our most recent analysis and the data received, that significant reform is both affordable and achievable. And we remain optimistic that Louisiana will seize this opportunity to provide quality, accessible care to its citizens.

Sincerely,

Sonia Madison
Senior Advisor to the Secretary,
Department of Health and Human Services