

# Trust fund for elderly rapidly dwindling

BY MELINDA DESLATTE

The Associated Press

To cope with budget troubles, Gov. Bobby Jindal's administration has steadily depleted a trust fund for elderly services created with an infusion of federal cash a decade ago.

When Jindal took office, the Medicaid Trust Fund for the Elderly contained more than \$830 million. Now, the balance has been cut in half to \$410 million, according to the treasurer's office.

By the end of the current fiscal year, it is projected to sink to \$250 million or less.

Officials involved with creating the fund expected the state to leave the principal intact and mainly use the interest and investment earnings, so the trust fund would provide a stream of funding for decades to pay for nursing home care and other health care services.

Instead, the Jindal administration — with approval from lawmakers through the budget process — keeps dipping into the principal to plug health care budget gaps and finance Medicaid services at nursing homes.

At the current rate, the money could run dry by the end of Jindal's current term, leaving his successor with a hefty health care financing gap.

"I was surprised and disappointed to learn that this trust fund had been depleted to its current level," said Secretary of State Tom Schedler, a Republican who sponsored the legislation creating the elderly trust fund in 2000 when he was a state senator.

"The loser is, of course, the taxpayer of Louisiana and most certainly the frail and elderly senior citizens for which it was intended to serve," he said this week.

One \$122 million payment from the trust fund was tied to a federal determination that the state received too much money when it built up the fund.

The rest has been used to stop cuts to the rates paid to private nursing homes for caring for Medicaid patients, Department of Health and Hospitals Undersecretary Jerry Phillips said.

"We continue to use the trust fund as a way to maintain those nursing home services, because nursing homes

are one of those services that are core to the Medicaid program," he said.

To get into the elderly trust fund, DHH assigned cuts to nursing homes, which triggers the ability to use the principal to "rebase" nursing home payments to cover their costs. It also has been used to increase nursing home rates in the Medicaid program.

In the budget year that began July 1, nursing homes are estimated to receive \$893 million in state and federal Medicaid payments. Of that, \$184 million is slated to come from the elderly trust fund, used to draw down about \$500 million in federal matching money, Phillips said.

Three-quarters of the Medicaid spending on 29,000 nursing home residents is tied to use of the declining trust fund.

"It's analogous to paying your household bills out of your savings account after you've stopped working and you don't have any income," said Jan Moller, director of the Louisiana Budget Project, an organization that has raised concerns about the use of the trust fund.

Lawmakers have been warned the fund was dwindling, but have done nothing to stop it or to plan for the looming financial cliff they face when the primary payment source for nursing home care disappears.

Phillips said DHH and the Louisiana Nursing Home Association are discussing possible ways to tap into new federal Medicaid dollars and shrink the use of the elderly trust fund to pay for nursing home care.

Creation of the trust fund involved intense negotiations with the Clinton administra-

tion, which was working to close a loophole in federal Medicaid financing.

Louisiana was the last state to get in on the loophole, and only after Gov. Mike Foster's administration made promises about how the money would be used. David Hood, DHH secretary during the Foster administration, said he didn't envision the trust fund princi-

pal to be spent on regular payments to nursing homes.

"I was kind of taken aback a couple of years ago when I realized they were raiding the principal," Hood said.

Phillips said Louisiana has faced extraordinary events that weren't anticipated when the trust fund was put in place, including a steep drop in its federal Medicaid funding rate.

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## 15 test parishes to begin prekindergarten overhaul

Capitol news bureau

The push to overhaul Louisiana's prekindergarten classes has begun in 15 test parishes, including West Baton Rouge, Ascension and St. Tammany.

The aim is to implement changes during the 2013-14 school year, do a statewide trial run in 2014-15 and then put in place all the changes for the 2015-16 school year.

"We believe strongly that early childhood is the key," David Corona, superintendent of the West Baton Rouge Parish school system, said Wednesday.

The 15 pilot projects stem from a 2012 state law aimed at correcting what critics call an early childhood system plagued by uneven quality, access and standards.

State officials are supposed to spell out early learning performance guidelines for those up to age 3 and academic standards for 3- and 4-year-olds.

The new rules include grades for the schools, funding based on performance, new steps to make it easier for families to find pre-K classes and professional development for teachers.

The parish meetings, which took place in the past three weeks, "are an important step toward making sure that no child falls through the cracks because of a disconnected system," state Superintendent of Education John White said in a prepared statement.

The changes apply to early childhood education programs serving children from birth to age 5 that receive state or federal dollars.

It applies to LA4, Head Start, Early Head Start and Early Steps, among others.

State officials say 54 percent of children in Louisiana enter kindergarten ready to learn. The goal is 70 percent.

Other parishes taking part in the pilot projects include Orleans, Iberville and Pointe Coupee.

I-12 lanes to close for road work on July 19

Capitol news bureau

Single eastbound and westbound lanes on Interstate 12 between Juban Road and Walker will be closed July 19, state officials said Wednesday.

The closures will take place between 8 p.m. and 5 a.m. and will alternate between the inside and outside lanes in each direction.

One lane in each direction will remain open at all times.

The closures will allow crews to complete work on the concrete median barrier wall and temporary pavement markings.

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**Early Restoration Programmatic Environmental Impact Statement**  
**PUBLIC SCOPING MEETING ANNOUNCEMENT**

The Deepwater Horizon Oil Spill Natural Resource Damage Assessment Trustees (Trustees) want to hear from you. The Trustees intend to prepare a Programmatic Environmental Impact Statement (PEIS) for early restoration, which is a part of the Natural Resource Damage Assessment for the Deepwater Horizon oil spill. Your input and engagement are important. The Trustees encourage comments regarding the scope, content, and any important information they should consider in the PEIS.

**LOUISIANA PUBLIC MEETING**

July 18, 2013 6:30 PM CST Courtyard Marriott  
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Comments may also be submitted via the internet at [www.gulfspillrestoration.noaa.gov](http://www.gulfspillrestoration.noaa.gov), or by mail to U.S. Fish and Wildlife Service, P.O. Box 2099, Fairhope, AL 36533.

For more information about the Louisiana public meeting, please contact Drue Banta Winters at 225-235-4083, or email [drue.banta@la.gov](mailto:drue.banta@la.gov).

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the Trustees at least 5 days before the meeting by calling Nanciann Regalado at 678-296-6805.

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