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REPORT
EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
DECEMBER 31, 1999 AND 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 26 2000

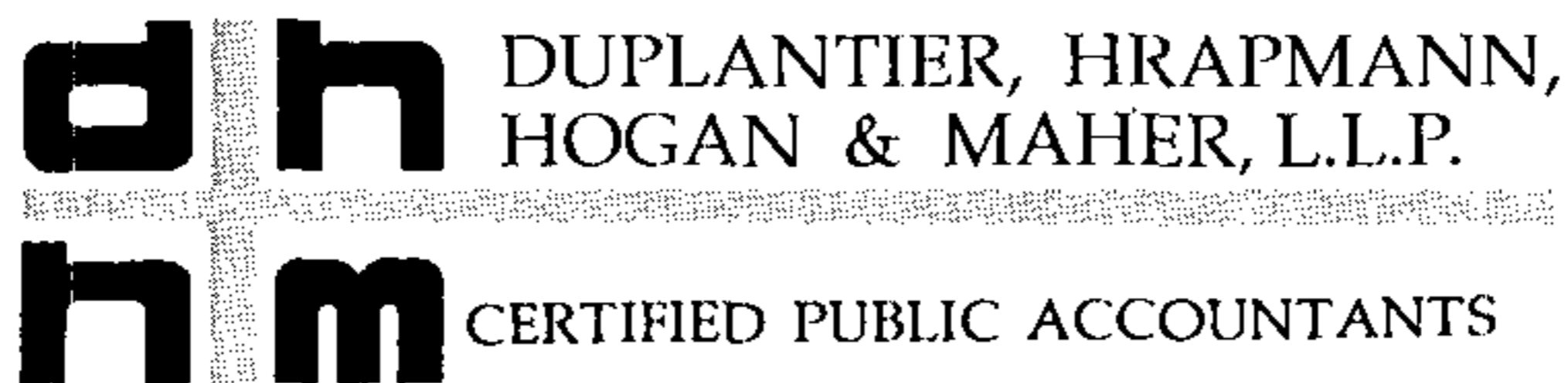
EAST JEFFERSON GENERAL HOSPITAL

RETIREMENT AND SAVINGS PLAN

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DECEMBER 31, 1999 AND 1998

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INDEPENDENT AUDITOR'S REPORT

January 28, 2000

To the Pension Committee
East Jefferson General Hospital
Retirement and Savings Plan
Metairie, Louisiana

We have audited the accompanying statements of plan net assets of the East Jefferson General Hospital Retirement and Savings Plan as of December 31, 1999 and 1998 and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Pension Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the East Jefferson General Hospital Retirement and Savings Plan at December 31, 1999 and 1998 and the results of its operations and changes in net assets for the years then ended in conformity with generally accepted accounting principles.

We have audited the financial statements of the Plan for the years ended December 31, 1999 and 1998 and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplemental schedules listed in the foregoing index to report are presented for the purposes of additional analysis and are not a part of the basic financial statements. Such required supplemental schedules for the years ending December 31, 1994 through December 31, 1999 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2000 on our consideration of the East Jefferson General Hospital Retirement and Savings Plan's internal control over financial reporting and on its compliance with laws and regulations.

Duplantier, Hapmann, Hogan & Maher LLP

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
STATEMENTS OF PLAN NET ASSETS
DECEMBER 31, 1999 AND 1998

	1999			1998		
	Defined Benefit Retirement Plan	Savings Plan	(Total Memorandum Only)	Defined Benefit Retirement Plan	Savings Plan	(Total Memorandum Only)
ASSETS:						
Receivables:						
Accrued interest and dividends	\$ 124,728	\$ --	\$ 124,728	\$ 198,026	\$ --	\$ 198,026
Contributions receivable	--	78,260	78,260	--	184,060	184,060
Total receivables	<u>124,728</u>	<u>78,260</u>	<u>202,988</u>	<u>198,026</u>	<u>184,060</u>	<u>382,086</u>
Investments, at fair value:						
Cash equivalents	363,374	6,061	369,435	1,060,736	6,181	1,066,917
U.S. Government and Agency Issues	10,313,818	--	10,313,818	16,207,132	--	16,207,132
Equities	17,938,239	--	17,938,239	8,295,133	--	8,295,133
Mutual funds	--	29,856,765	29,856,765	--	22,678,344	22,678,344
Guaranteed investment contracts	--	--	--	--	2,224,918	2,224,918
INVESCO	--	16,566,111	16,566,111	--	13,159,618	13,159,618
Total investments	<u>28,615,431</u>	<u>46,428,937</u>	<u>75,044,368</u>	<u>25,563,001</u>	<u>38,069,061</u>	<u>63,632,062</u>
TOTAL ASSETS	<u>28,740,159</u>	<u>46,507,197</u>	<u>75,247,356</u>	<u>25,761,027</u>	<u>38,253,121</u>	<u>64,014,148</u>
LIABILITIES:						
Accounts payable	--	--	--	41,532	--	41,532
Retirement benefits payable	--	484,365	484,365	--	324,535	324,535
Contributions paid in advance and forfeitures	--	261,822	261,822	--	162,789	162,789
Total liabilities	<u>--</u>	<u>746,187</u>	<u>746,187</u>	<u>41,532</u>	<u>487,324</u>	<u>528,856</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS (A schedule of funding progress for the plan is presented on Page 14)	<u>\$ 28,740,159</u>	<u>\$ 45,761,010</u>	<u>\$ 74,501,169</u>	<u>\$ 25,719,495</u>	<u>\$ 37,765,797</u>	<u>\$ 63,485,292</u>

See accompanying notes.

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	1999			1998		
	Defined Benefit Retirement Plan	Savings Plan	(Total Memorandum Only)	Defined Benefit Retirement Plan	Savings Plan	(Total Memorandum Only)
ADDITIONS:						
Contributions:						
Members	\$ --	\$ 2,392,499	\$ 2,392,499	\$ --	\$ 2,906,328	\$ 2,906,328
Employer	1,659,191	2,585,219	4,244,410	1,417,503	2,072,895	3,490,398
Total contributions	<u>1,659,191</u>	<u>4,977,718</u>	<u>6,636,909</u>	<u>1,417,503</u>	<u>4,979,223</u>	<u>6,396,726</u>
Investment income:						
Net appreciation						
in fair value of investments	1,145,012	5,132,634	6,277,646	134,575	4,523,772	4,658,347
Interest	1,135,311	44,026	1,179,337	899,364	912,035	1,811,399
Dividends	--	819,379	819,379	156,978	252,437	409,415
	<u>2,280,323</u>	<u>5,996,039</u>	<u>8,276,362</u>	<u>1,190,917</u>	<u>5,688,244</u>	<u>6,879,161</u>
Less:						
Investment advisory services	108,374	--	108,374	157,373	--	157,373
Custodial fees	24,488	--	24,488	17,505	--	17,505
Net investment income	<u>2,147,461</u>	<u>5,996,039</u>	<u>8,143,500</u>	<u>1,016,039</u>	<u>5,688,244</u>	<u>6,704,283</u>
Total additions	<u>3,806,652</u>	<u>10,973,757</u>	<u>14,780,409</u>	<u>2,433,542</u>	<u>10,667,467</u>	<u>13,101,009</u>
DEDUCTIONS:						
Benefits paid	<u>785,988</u>	<u>2,978,544</u>	<u>3,764,532</u>	<u>721,852</u>	<u>2,018,524</u>	<u>2,740,376</u>
Total deductions	<u>785,988</u>	<u>2,978,544</u>	<u>3,764,532</u>	<u>721,852</u>	<u>2,018,524</u>	<u>2,740,376</u>
NET INCREASE	3,020,664	7,995,213	11,015,877	1,711,690	8,648,943	10,360,633
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:						
Beginning of year	<u>25,719,495</u>	<u>37,765,797</u>	<u>63,485,292</u>	<u>24,007,805</u>	<u>29,116,854</u>	<u>53,124,659</u>
END OF YEAR	<u>\$ 28,740,159</u>	<u>\$ 45,761,010</u>	<u>\$ 74,501,169</u>	<u>\$ 25,719,495</u>	<u>\$ 37,765,797</u>	<u>\$ 63,485,292</u>

See accompanying notes.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

Hospital service districts are authorized under Louisiana R.S. 46:1068 to establish and maintain actuarially sound pension and retirement systems making contributions from hospital service district funds. They may make contracts of insurance with any insurance company legally authorized to do business in Louisiana and may enter into other contracts and Trust Agreements with banks, which are incidental to creating and maintaining an actuarially sound pension and retirement system.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA).

Basis of Accounting:

The Plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest and dividend income is recognized when earned.

Method Used to Value Investments:

Investments are reported at fair value, short-term investments are reported at cost and insurance contracts at contract value, which approximates fair value.

Memorandum Only Column:

The total columns on the Statement of Plan Net Assets and Statement of Changes in Plan Net Assets are captioned memorandum only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION:

The East Jefferson General Hospital, Retirement Plan Committee, is the administrator of a single employer defined benefit retirement plan and a defined contribution savings plan. The Plan was established for the purpose of providing retirement benefits for substantially all employees of East Jefferson General Hospital (Hospital).

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

DEFINED BENEFIT RETIREMENT PLAN:

All full-time employees at least age 21 with at least one year of credited service are eligible to participate in the Plan. Plan benefits vest after 5 years of credited service. Employees who retire at or after age 62 with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life. The Plan also provides death benefits. This benefit provision and all other requirements are established by the Plan.

Membership in the Plan as of the last actuarial valuation consists of:

	<u>1/1/00</u>	<u>1/1/99</u>
Retirees and beneficiaries receiving benefits	230	193
Terminated employees entitled to benefits but not yet receiving them	788	738
Active employees	<u>2,203</u>	<u>1,973</u>
TOTAL PARTICIPANTS	<u>3,221</u>	<u>2,904</u>

Pension Benefits:

The annual benefit at normal retirement will be equal to the benefit accrued through December 31, 1988 under the previous pension plan formula plus, for each year after 1988, benefits accrued under the new formula.

Under the new formula benefits accrue at .75% of participant's annual pay up to a designated "breakpoint" and 1.25% of annual pay in excess of the breakpoint. In succeeding years the new formula would continue to apply, but as the Social Security taxable wage base increases, so will the breakpoint.

After five years of employment with the Hospital (counting all prior service), the pension benefit will be fully vested.

At retirement, the participant may choose to receive a monthly benefit amount in one of several annuity forms - life annuity, joint and survivor annuity, and ten year certain and life annuity.

Death Benefits:

If a participant dies after becoming vested, the surviving spouse will receive a monthly benefit from the plan. This benefit is only available to the surviving spouse and will be payable at the time the participant would have qualified for early retirement, unless the spouse elects to defer payments to a later date.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

Contributions:

The Plan's funding policy provides for actuarially determined periodic contributions.

The actuarially determined recommended contribution for the plan year ending December 31, 2000 is shown below compared to the contribution made based on the prior valuation for 1999.

	January 1, 2000 <u>for 2000</u>	January 1, 1999 <u>for 1999</u>
ANNUAL CONTRIBUTION:		
As a dollar amount	\$ 1,900,982	\$ 1,659,191
As a percent of payroll	2.2%	2.2%
Participant payroll	86,303,775	77,079,097

DEFINED CONTRIBUTION SAVINGS PLAN:

The Plan covers all full-time employees who have been employed for a twelve month period during which at least one thousand hours of service are completed and who are at least twenty-one years of age. The Plan has 3,221 and 2,904 members for the years ended 1999 and 1998, respectively.

Contributions:

The Plan provides for a basic contribution by the Hospital of two percent of eligible annual compensation including overtime. Effective in December 1997, the plan was amended to allow employees to contribute up to twenty percent, six percent previously, of eligible annual compensation of which the Hospital will match up to two percent. This matching contribution is in addition to the basic contribution received by all participants.

Participants' Accounts:

Each participant's account is credited with the Hospital's contribution and Plan earnings. Allocation of the Hospital's contributions is based on Plan compensation. Compensation for Plan purposes is the employee's total annual compensation and overtime pay and other extra compensation as specified in the plan document.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

DEFINED CONTRIBUTION SAVINGS PLAN: (Continued)

Vesting:

The participant is one hundred percent vested after the completion of five credited years of vesting service. For this purpose participants earn one year of vesting service for each year in which they work one thousand hours or more. Any contributions made by participants for the Plan and earnings on that contribution are one hundred percent vested to the participants when made.

Withdrawals and Distributions:

Participants are allowed to withdraw their own contributions to the Plan. Hospital contributions may not be withdrawn. Withdrawals are limited to one per calendar year. No contributions may be made to the plan for a six month period after a withdrawal, and during that six months the participant is ineligible to receive the Hospital's matching contributions.

Loans are not permitted under the terms of the Plan.

Upon termination of employment for resignation, dismissal, retirement or death, the participant's contributions plus the vested portion of the Hospital's contributions, and the related earnings are distributed to the participant or his/her designated beneficiary. Distributions may be in the form of a lump sum or annuity provided by an insurance carrier.

Forfeitures

Basic and matching deposits in the account of a participant who separates from service prior to becoming vested are forfeited and used to reduce Hospital contributions.

If a participant returns to service within five years, the dollar amount forfeited is restored to his account.

3. ACTUARIAL COST METHOD:

The Traditional Unit Credit Cost Method was used to calculate the funding requirements for the defined benefit retirement plan for the years ended December 31, 1999 and 1998. This funding method provides for actuarially determined periodic contributions at rates that, for individual participants, remain fairly constant over time so that sufficient assets will be available to pay benefits when due. Under this method, the actuarial gains and losses generally reduce or increase the unfunded actuarial accrued liability.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

4. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules is designed to provide information about the Plan's progress made in accumulating sufficient assets to pay benefits and is presented on pages 13 - 15.

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Plan's cash equivalents and investments at December 31, 1999 and 1998.

	Defined Benefit Retirement Plan	Savings Plan	Total
<u>1999:</u>			
Cash equivalents	\$ 363,374	\$ 6,061	\$ 369,435
Investments	<u>28,252,057</u>	<u>46,422,876</u>	<u>74,674,933</u>
	<u>\$28,615,431</u>	<u>\$46,428,937</u>	<u>\$75,044,368</u>
<u>1998:</u>			
Cash equivalents	\$ 1,060,736	\$ 6,181	\$ 1,066,917
Investments	<u>24,502,265</u>	<u>38,062,880</u>	<u>62,565,145</u>
	<u>\$25,563,001</u>	<u>\$38,069,061</u>	<u>\$63,632,062</u>

Cash Equivalents:

The Plan's cash equivalents totaling \$369,435 and \$1,066,917 at December 31, 1999 and 1998, respectively, consist of government backed pooled funds. The funds are held by a sub-custodian and are managed by a separate money manager and are in the name of the Plan's custodian's trust department.

Investments:

Hospital service districts are authorized under Louisiana R.S. 46:1068 to establish and maintain actuarially sound pension and retirement systems making contributions from hospital service district funds. They may make contracts of insurance with any insurance company legally authorized to do business in Louisiana and may enter into other contracts and Trust Agreements with banks, which are incidental to creating and maintaining an actuarially sound pension and retirement system. Except for deposits with insurance companies and INVESCO, the Plan's investments were held by Bank One's trust department at December 31, 1999 and 1998.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

The Plan's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end, that is, the risk associated with the exposure to a potential loss from unauthorized transfer of a financial instrument. Category 1 includes investments that are insured or registered or for which the securities are held by the Plan or its agent in the Plan's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Plan's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Plan's name.

	Defined Benefit Retirement <u>Plan</u>	Savings <u>Plan</u>	<u>Total</u>	<u>Category</u>
U.S. Government and Agency Issues	\$10,313,818	\$ --	\$10,313,818	1
Equities	17,938,239	--	17,938,239	1
Mutual Funds	--	29,856,765	29,856,765	N/A
INVESCO	--	16,566,111	16,566,111	N/A
	<u>\$28,252,057</u>	<u>\$46,422,876</u>	<u>\$74,674,933</u>	

There were no individual investments (other than those guaranteed or issued by the U.S. Government and mutual funds) representing 5% or more of the Plan's net assets.

6. USE OF ESTIMATES:

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

7. CONTRACTS WITH INSURANCE COMPANIES:

The Plan had entered into guaranteed investment contracts with life insurance companies investing contributions during specified periods of time at guaranteed interest rates.

Generally the accounts were increased by contributions for the period specified and interest earned net of expenses. The accounts were reduced by withdrawals charged by each company.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

7. CONTRACTS WITH INSURANCE COMPANIES: (Continued)

The following is a summary of those agreements:

<u>Date of Agreement</u>	<u>Life Insurance Company (Contract Number)</u>	<u>Term of Agreement</u>	<u>Contribution Period</u>	<u>Net Interest Rate</u>
10/01/93	Allstate Life Insurance Company (#5524)(50%) (remaining 100%)	10/1/93-9/30/97 10/1/93-9/30/98	10/1/93-9/30/94 10/1/93-9/30/94	5.24 5.24
09/21/94	Commonwealth Life (#00666) (50%) (remaining 100%)	9/21/94-9/30/98 9/21/94-9/30/99	9/21/94 9/21/94	7.50 7.50
09/23/94	Metropolitan Life (#20026) (50%) (remaining 100%)	9/23/94-9/30/98 9/23/94-9/30/99	9/23/94-9/30/95 9/23/94-9/30/95	7.56 7.56

The contracts are included in the financial statements at December 31, 1998. Contract values are reported to the Plan by each life insurance company. During 1999, all insurance contracts expired and were not renewed.

8. INVESCO:

The Plan has entered into a participation agreement with INVESCO Trust Company. Under the agreement the Plan may invest in investment funds which are part of the INVESCO retirement trust, a collective trust of INVESCO Trust Company for Participating Pension and Profit Sharing Trusts.

During 1999 and 1998 most of the funds invested in guaranteed investment contracts (Note 7) which matured were transferred into the INVESCO Trust Company Stable Value Fund. The INVESCO Stable Value Fund invests in a diversified portfolio of investment contracts with insurance companies, banks, and other financial institutions. An investment contract is an agreement whereby the issuing entity promises a specific rate of return for a period time. Returns are expected to be consistent with the earnings generated by intermediate term high quality debt instruments. Funds invested in the trust earned interest of approximately 5.81% and 6.11% before fees during 1999 and 1998, respectively.

The funds are included in the financial statements at December 31, 1999 and 1998 at the contract value reported to the Plan by the Trust Company.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

9. PLAN TERMINATION:

Although it has not expressed any intent to do so, the Hospital has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

EAST JEFFERSON GENERAL HOSPITAL
 RETIREMENT AND SAVINGS PLAN
 SUPPLEMENTARY INFORMATION (RETIREMENT PLAN)
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
DECEMBER 31, 1994 THROUGH 1999

<u>YEAR ENDED DECEMBER 31</u>	<u>ANNUAL REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>
1994	\$ --	100%
1995*	--	100
1996	315,893	100
1997	1,357,257	100
1998	1,417,503	100
1999	1,659,191	100

* Although not required, a contribution was made to the Plan in 1995 totaling \$191,473.

EAST JEFFERSON GENERAL HOSPITAL
 RETIREMENT AND SAVINGS PLAN
 SUPPLEMENTARY INFORMATION (RETIREMENT PLAN)
 SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 1994 THROUGH 1999

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Surplus) Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/95	\$ 14,952,091	\$ 15,447,162	\$ 495,071	96.8 %	\$ 57,916,980	0.9 %
01/01/96	18,032,105	17,168,899	(863,206)	105.0	59,044,867	-0-
01/01/97	19,753,066	19,580,983	(172,083)	100.9	65,128,769	-0-
01/01/98	24,007,805	22,268,371	(1,739,434)	107.8	71,380,919	-0-
01/01/99	25,719,495	25,110,946	(608,549)	102.4	77,079,097	-0-
01/01/00	28,740,159	28,737,799	(2,360)	100.0	86,303,775	-0-

**EAST JEFFERSON GENERAL HOSPITAL
 RETIREMENT AND SAVINGS PLAN
 SUPPLEMENTARY INFORMATION (RETIREMENT PLAN)
 NOTES TO SCHEDULE OF CONTRIBUTIONS AND
 SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 1999**

The information presented in the Schedule of Contributions - Employer and Other and the Schedule of Funding Progress was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	January 1, 2000
Actuarial Cost Method	Unprojected Unit Credit
Amortization Method	The required amounts are determined at a level payment each year for the remaining amortization period. The amortization period is for an unlimited number of years. (Open Basis)
Remaining Amortization Period	30 years
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	8.50%
Projected Salary Increases	5.00% (2.50% Inflation, 2.50 Merit)
Cost of Living Adjustments	None

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLAN
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1999

January 28, 2000

To the Pension Committee
East Jefferson General Hospital
Retirement and Savings Plan
Metairie, Louisiana

We have audited the financial statements of the East Jefferson General Hospital, Retirement and Savings Plan, as of and for the year ended December 31, 1999, and have issued our report thereon dated January 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Plan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Plan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Pension Committee, management, and the Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hapman, Hogan & Miller LLP