

Congress of the United States
House of Representatives
Washington, D.C. 20515

May 5, 2006

Frederick P. Cerise, M.D.
Secretary
Louisiana Department of Health and Hospitals
1201 Capitol Access Road, P.O. Box 629
Baton Rouge, Louisiana 70821-0629

Dear Secretary Cerise:

We continue to have concerns about a number of critical issues facing Louisiana and specifically the greater New Orleans region as it attempts to recover from the devastation resulting from Hurricane Katrina. It has been more than seven months since the storm struck, and a number of daunting issues that continue to hinder recovery efforts remain unresolved. One of the most important is the provision of adequate healthcare services for current residents, the workers brought in to clean up and rebuild the area, and those residents seeking to return and reclaim their lives and homes. Although the Administration has already disbanded its Katrina-related healthcare working group after production of a report on applicable Federal programs and general principles for health care reconstruction (*see* Feb. 15, 2006, letter from HHS Secretary Michael Leavitt to Rep. John D. Dingell (hereafter “Leavitt Letter”), pp. 2-3), we in Congress are committed to taking additional concrete steps to rebuild the healthcare system.

According to a recent issue of *U.S. News & World Report*, the New Orleans area is now home to one million people, just under the pre-Katrina population of 1.3 million. But the healthcare resources necessary to adequately serve that population size have not returned: only half of the previous 4,000 hospital beds are available; there is no Level I trauma center; there are 34 nursing homes, down from 63; and 19 clinics, down from 90. “New Orleans’s Against-the-Odds Struggle to Care for the Infirm,” *U.S. News & World Report*, April 24, 2006, p. 56.) As two physicians from Tulane University’s Health Sciences Center recently observed in *The New England Journal of Medicine*, health care in the New Orleans area remains:

unacceptably primitive The absence of chronic care facilities contributes to the lengthening of stay in acute care hospitals whose costs exceed CMS [Centers for Medicare and Medicaid Services] reimbursement, and these additional uncompensated expenses may soon force recently reopened hospital beds to close again. Without rapid, coordinated, and effective help from government agencies, we fear that disproportionate human suffering and death will continue to plague greater New Orleans. *Ibid.*, p. 1552.

(Berggren and Curiel, “After the Storm – Health Care Infrastructure in Post-Katrina New Orleans,” *The New England Journal of Medicine*, April 13, 2006, p. 1552.)

This is further exemplified by the struggles of St. Bernard Parish, which lies just east of New Orleans, where Chalmette Medical Center has been closed since Katrina hit – a closing that appears to be permanent, according to its management. Additionally, according to the Bureau of Health Professions, National Center for Health Workforce Analysis, the Louisiana healthcare system was already struggling with a shortage of primary care areas in 55 parishes and shortages of physician assistants, nurse practitioners, nurse midwives, dentists, psychologists, and social workers. (Feb. 15, 2006, letter from Secretary Leavitt to Rep. Dingell, *supra*, Appendix A, p. 2.) Prior to Katrina, New Orleans had only 3.03 hospital beds per 1,000 population, as compared with the average of 3.26 per 1,000 for U.S. cities; today, there are 1.99 per 1,000. (*Ibid.*, p. 1549.) The result is that the nine remaining hospitals are “swamped”:

"We're jammed to the gills, our census is higher than it was prior to the storm, and we've had to open more beds with many fewer RNs and support services," says Nancy Davis, chief nursing officer for the Ochsner Health System, one of three hospitals in New Orleans that stayed open through Katrina. ER visits at Ochsner are up 60 percent, and the hospital is delivering twice as many babies as it did a year ago. (*See, U.S. News and World Report, supra.*)

The conclusions of the medical professionals serving on the front line of health care in New Orleans mirror those of the Government Accountability Office (GAO) in a recently issued status report on the condition of the New Orleans healthcare infrastructure six months after Katrina. GAO found that the healthcare infrastructure was severely damaged, and the availability of health services had declined significantly. More specifically, GAO found that increased demand has been reported at the open emergency departments and has led to slow unloading of patients from ambulances and to patients being housed in the emergency department because hospital beds were not available. The area's only certified Level I trauma unit is still closed (the 35-bed, limited trauma unit opened recently at Elmwood cannot provide full Level I trauma services), and the number of staffed hospital beds in the City of New Orleans was estimated to be about 80 percent less in February 2006 than before Hurricane Katrina. Moreover, to date, many patients are still getting primary care and rudimentary emergency services provided in tents that have now been set up by Charity Hospital in an old department store. (*See, "Hurricane Katrina: Status of the Health Care System in New Orleans and Difficult Decisions Related to Efforts to Rebuild It Approximately 6 Months After Hurricane Katrina," GAO-06-576R, March 28, 2006.*)

Since the issuance of the GAO report, other news reports have also described in stark detail the challenges now facing the city as it tries to rebuild essential medical services such as local clinics and hospitals. For example, the April 24, 2006, *U.S. News and World Report* notes that there are long waits for emergency room visits because key hospitals still remain closed. Little money exists to pay needed healthcare workers. Moreover, while services are diminished, a sizeable population in the greater New Orleans area has returned, and many uninsured recovery and reconstruction workers have arrived, with more on the way, as the remaining \$6 billion in reconstruction funds are used.

This desperate healthcare situation in one of our largest cities is unacceptable in this great and generous country. We specifically seek your assistance in helping us understand both the near-term and the long-term healthcare needs facing this region. A clear delineation of such

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needs (by both capital costs and purpose) from you will greatly assist us in our ongoing effort to provide the resources to assist the Gulf Coast region achieve complete recovery from Hurricane Katrina.

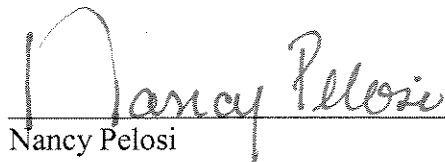
Therefore, we ask you to respond to the attached questions as soon as is practicably possible. Specifically, we ask for a firm assessment of the healthcare needs of the greater New Orleans area through the end of FY2007 with respect to:

- (a) Facilities and infrastructure;
- (b) Funds required to serve the uninsured, Medicaid beneficiaries, and other populations with special needs such as mental health services; and
- (c) Policies and funds required to recruit or retain medical personnel in the affected areas.

We appreciate your assistance in this matter, particularly at a time when many other healthcare issues demand your attention. We look forward to working closely with you to bring the New Orleans region's healthcare system back to a level that will serve the city well as it rebuilds itself.

Should you need more information, please do not hesitate to contact our offices directly. Our staff contacts include: Wendell Primus of the Office of Democratic Leader Pelosi at (202) 225-0100; Christopher Knauer or Bridgett Taylor of the Committee on Energy and Commerce at (202) 226-3400; Cybele Bjorklund of the Committee on Ways and Means at (202) 225-4021; David Reich of the Committee on Appropriations at (202) 225-3481; Aranthan Jones of Rep. Jefferson's office at (202) 225-6636; or Casey O'Shea of Rep. Melancon's office at (202) 225-4031.

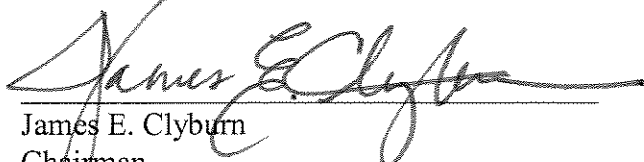
Sincerely



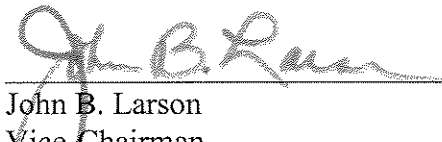
Nancy Pelosi
Democratic Leader
U.S. House of Representatives



Steny H. Hoyer
Democratic Whip
U.S. House of Representatives



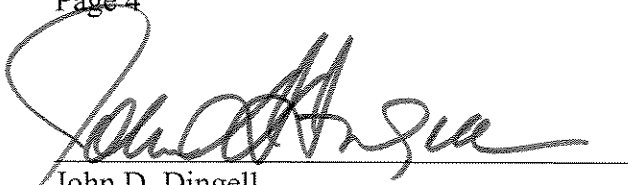
James E. Clyburn
Chairman
U.S. House Democratic Caucus



John B. Larson
Vice-Chairman
U.S. House Democratic Caucus

Frederick P. Cerise, M.D.

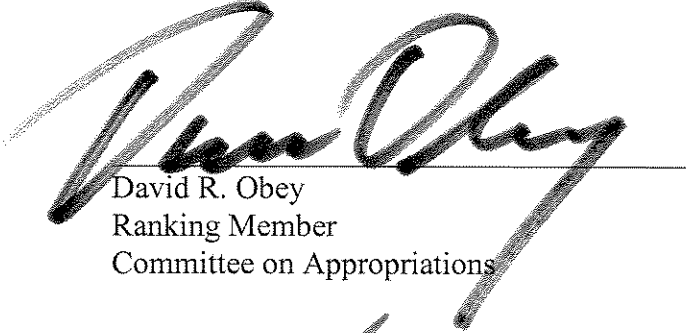
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John D. Dingell
Ranking Member
Committee on Energy and Commerce



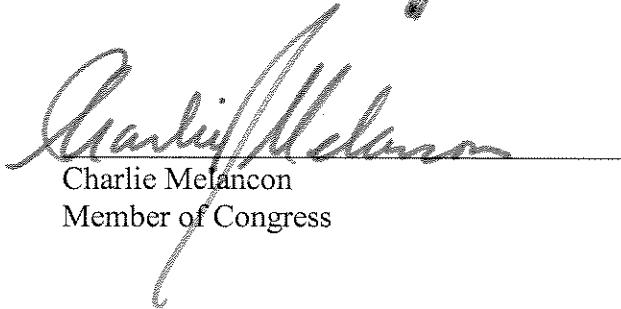
Charles B. Rangel
Ranking Member
Committee on Ways and Means



David R. Obey
Ranking Member
Committee on Appropriations



William J. Jefferson
Member of Congress



Charlie Melancon
Member of Congress

**Questions for Secretary Frederick P. Cerise, M.D.
Louisiana Department of Health and Hospitals**

1. Please provide a list of the highest priority immediate health care needs for the State of Louisiana, including public hospitals, with specific emphasis on the Greater New Orleans region. Please rank these projects, programs, or areas of need in order of priority. Finally, please describe specifically what Federal action is needed for each effort listed (e.g., additional waivers, additional funds, changes in law, changes in regulations, or other measures needed).

2. Additionally, in an additional attachment, please also respond to the following:
 - a. How many accredited Level I trauma beds are necessary to serve the Greater New Orleans region in the next three months? By the end of FY2007?

 - b. According to the April 13, 2006, *The New England Journal of Medicine*, it appears that the New Orleans area has inadequate hospital beds for the current population as there are only 1.99 beds for each 1,000 persons, which is 40 percent less than other U.S. urban areas. The results of this shortage are patients staying in emergency rooms because there are no hospital beds. Do you agree with these numbers? What would be required in the short term to provide the necessary beds to serve the current population? How many hospital beds will be required by the end of FY2007? How will the hospital capacity be managed across all of the parishes directly hit by the storm, such as Plaquemines and St. Bernard Parishes?

 - c. Private and non-profit hospitals in the New Orleans area are having a great deal of financial difficulty serving uninsured patients that were formerly served by Charity Hospital. Some of them have indicated that they will not open additional beds, although they could, because more uninsured patients only add to the financial burden. What do you propose to obtain the needed additional beds in non-Charity facilities, and how will the financial burden of uninsured patients be resolved? Please provide a plan for the short term (less than a year) and the long term.

 - d. A serious problem is the lack of nursing homes and long-term care facilities where hospital patients can be discharged. The lack of these facilities results in longer and more expensive hospital stays. We have been told repeatedly that lack of staffing is the major impediment to re-opening these facilities and in adding hospital beds. Lack of housing for workers only makes staffing more difficult. The Federal Emergency Management Administration (FEMA) has authority to provide emergency shelter for medical personnel on the basis that medical care is an "essential community service," but Secretary Leavitt reported that in January, the State did not identify housing as an "imminent immediate need." (Leavitt Letter, supra, p. 5.) There apparently have been no requests for these funds. What

steps are you taking to increase staffing for both long-term care facilities and hospitals? How do you intend to increase the number of long-term care facilities? How essential is housing for staff, and does the State have plans now to apply for housing funds from FEMA? Please provide your plan for the short term (less than a year) and for FY2007.

- e. It is our understanding that there is currently a significant unmet need for mental health services in the greater New Orleans region and the need for such services is expected to grow. What is the status of the mental healthcare services since the storm? What are the projected mental healthcare needs expected to be in the short term (less than a year) and through FY2007? Our staff has been informed that the Substance Abuse and Mental Health Services Administration (SAMHSA) that the State will receive are restricted to initial assessments. Is this accurate and should policy changes be made to expand the use of this funding?
- f. The State of Louisiana has requested a number of key healthcare services waivers from the Federal Government, many involving the U.S. Department of Health and Human Services. Please indicate all Federal waivers requested by Louisiana involving healthcare matters, when they were requested, and the status of each waiver. Does the State need an additional waiver from the matching funds requirement for the Ryan White CARE Act programs?
- g. What is the current State of the Louisiana's Medicaid program? How many beneficiaries are currently in the system, and what are the projected participation rates for the State for the next six months? Through FY2007? Please discuss in detail all funding problems related to this program and whether any shortfalls are expected, particularly how you will provide the State's share of funding for those beneficiaries currently eligible for Medicaid.
- h. Please detail all healthcare projects (and funding amounts) for the State of Louisiana that will be financed by Federal community development block grants. Please provide a brief description of each project's objectives.
- i. According to the Department of Health and Human Services, a \$100 million loan guarantee program from Health Resources and Services Administration (HRSA) was established to construct community health centers. Has the State of Louisiana applied for or obtained any of that money?
- j. HRSA has an unfunded program for hospital preparedness grants that could be used for medical and communications equipment, medical supplies, pharmaceuticals, and other needs. Would funds from this program be useful to prepare for the next hurricane season or any other crisis, such as avian flu, which Secretary Leavitt discussed at a recent meeting in New Orleans?