

**Opening Statement of the Honorable Bart Stupak**  
**“Post-Katrina Health Care in the New Orleans Region:**  
**Progress and Continuing Concerns – Part II”**  
**August 1, 2007**

This hearing, on the eve of the second anniversary of Hurricane Katrina’s landfall, is a follow-up to the Subcommittee’s March 13th hearing which examined the immediate health care needs of citizens in the New Orleans Region. Our hearing will touch on issues involving not just the immediate health care needs of the Region, but also some of the long-term plans that federal and state officials have for rebuilding the large hospitals in New Orleans that were lost because of Hurricane Katrina.

The nation has much to learn from the people of New Orleans about the long and difficult road to full recovery after a major disaster. Katrina brought us the unprecedented experience of having a major American city’s health care system shattered overnight. Surviving the disaster and its immediate aftermath, while difficult enough, now appears less daunting than regaining a fully functioning and well-balanced health care infrastructure for the Region. Fortunately, hospital workers no longer have to pump IVs and heart machines by hand to keep patients alive in a darkened hospital, but the area’s health care system remains vulnerable and overwhelmed, and much work remains to be done.

Since our hearing in March, some progress has been made in the four Katrina-affected parishes known as Region 1. Following our March hearing Health & Human Services (HHS) Secretary Leavitt released \$100 million in Deficit Reduction Act (DRA) funds for public and not-for-profit clinics that provide primary care to low-income and uninsured residents in Region 1. This targeted infusion of funds will help restore and expand access to outpatient primary care, including medical and mental health services, substance abuse treatment, oral health care, and optometric health care.

HHS also provided an additional \$35 million to Louisiana for workforce development & retention and an additional \$26 million in direct funding to providers at acute care hospitals, psychiatric hospitals, skilled nursing facilities and community mental health facilities. The subcommittee is still not clear as to exactly how these funds will be distributed, and we look forward to flushing that out in questioning today.

While we have had some improvements since our March hearing, there are still serious challenges facing local, state, and federal public health officials.

A similar degree of focus and effort needs to go toward stabilizing the Graduate Medical Education (GME) programs based in New Orleans. The whole State of Louisiana relies on GME assistance for development of its future health care workforce. Louisiana State University (LSU) historically trained approximately 75 percent of all the health care professionals in the State, through its medical school in downtown New Orleans. Tulane University’s School of Medicine, also headquartered in downtown New Orleans, trains much of the balance of health care workers. The federal and State funds that support

medical training are funneled through teaching hospitals, like LSU's "Big Charity" and several other hospitals destroyed by Katrina. Without their principal teaching hospital to provide the necessary case concentration needed for accreditation, LSU and Tulane have had to close some of their medical specialty training programs. At the same time, because of the cumbersome manner in which Medicare reimburses hospitals for hosting medical residents at their facilities, the medical schools have had to enter into tortuous and expensive negotiations with other hospitals so that residents may continue their training. Meanwhile, although host hospitals received relief from Medicare's "three year rolling average" rule in the first year after the hurricane, that relief expired in 2006, causing reimbursement shortages. Until LSU can build a new training hospital, these other hospitals should be able to host medical residents without incurring a financial penalty. I again urge the Secretary to engage academic and public health officials in the State to develop a fair way to ensure that medical training can continue in the region at an adequate level.

Likewise, I urge Secretary Leavitt to meet with representatives from the local private hospitals who will testify today. Hospitals in the four Katrina-affected parishes report that they are incurring substantial increased costs of doing business that continue to disable the system and limit patient access to reliable health care. Hospital representatives will tell us of the financial pressures they face due to labor costs, driven upward by serious nursing and other labor shortages. I am concerned that this labor shortage may have multiple weakening effects on an already fragile system. For instance, LSU has reported that it is difficult to open additional hospital beds at its rehabilitated University Hospital facility due lack of nurses. This, in turn, increases the burden on private hospitals and independent providers who are already treating unprecedented numbers of uninsured patients since Big Charity's closure. These challenges deserve attention and leadership from our public health officials, and I hope the Secretary will lead efforts to address structural imbalances in the health care economy in the New Orleans region.

Finally, we have seen plans to rebuild two of New Orleans' most important medical facilities – LSU's academic medical center and the VA hospital – mired in emotional debates and politics. I believe the community in the New Orleans area needs as much clarity and transparency with respect to the decisions being made regarding these two hospitals as possible. It is difficult enough for low-income and uninsured members of the community, and veterans in the region, to obtain convenient and consistent hospital care without these critical facilities up and running. Their wait should not be made harder by unnecessary delays and backroom politics.

In closing, I would like to thank the Republican members and staff for their continued bipartisan approach to this investigation. I would also like to thank the Vice Chair of the Subcommittee, Mr. Melancon for his tireless work to ensure that re-building of the health care system in New Orleans remains a priority for this Congress. You have my personal assurance that this Subcommittee will continue to monitor the progress and push wherever necessary to see that the region's needs are met.