

STATEMENT OF DR. LARRY HOLLIER
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TO THE

COMMITTEE ON HOUSE ENERGY AND COMMERCE SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

AUGUST 1, 2007

**CHAIRMAN STUPAK AND DISTINGUISHED MEMBERS OF THE
SUBCOMMITTEE, THANK YOU FOR THIS OPPORTUNITY TO UPDATE YOU ON
THE PAINSTAKING PROGRESS BEING MADE AS WE CONTINUE TO
RECOVER FROM THE IMPACT OF HURRICANE KATRINA ON LOUISIANA
STATE UNIVERSITY'S PROFESSIONAL MEDICAL EDUCATION PROGRAMS
ITS TEN PUBLIC HOSPITALS, AND 36 HEALTH CARE CLINICS SPREAD
AROUND OUR STATE.**

**WHEN LSU REPRESENTATIVES TESTIFIED BEFORE THIS COMMITTEE IN
MARCH, THEY EXPRESSED CONSIDERABLE APPREHENSION OVER THE
FUTURE OF GRADUATE MEDICAL EDUCATION AND HEALTH CARE
DELIVERY.**

TODAY, ON BEHALF OF MY COLLEAGUES, AS CHANCELLOR OF THE LSU HEALTH SCIENCES CENTER IN NEW ORLEANS, MY MESSAGE IS ONE OF HOPE THAT WE ARE FINALLY MOVING FORWARD.

WITH THE SUPPORT OF LOUISIANA'S POLITICAL LEADERSHIP, INCLUDING GOVERNOR BLANCO AND THE LEGISLATURE, WE ARE DEPLOYING SATELLITE MEDICAL CLINICS IN NEW ORLEANS AND THE FIRST STAGE OF WHAT WILL BE A COMPREHENSIVE, STATEWIDE ELECTRONIC MEDICAL RECORDS SYSTEM.

IN ADDITION, LSU'S HEALTH CARE SERVICE DIVISION HAS BEEN WORKING CLOSELY WITH REPRESENTATIVES OF THE U.S. DEPARTMENT OF VETERANS AFFAIRS TO PLAN CONSTRUCTION OF A JOINT ACADEMIC MEDICAL CENTER IN DOWNTOWN NEW ORLEANS.

COLLECTIVELY, WE HAVE MUCH WORK LEFT TO DO AND OUR MEDICAL TRAINING PROGRAMS ARE STILL THREATENED, BUT THE PICTURE I WILL PAINT TODAY IS SIGNIFICANTLY MORE OPTIMISTIC THAN IT WAS FOUR MONTHS AGO.

I WILL ALSO BRIEFLY ADDRESS A NUMBER OF CONTINUING MYTHS ABOUT THE JOINT HOSPITAL PROJECT, FALSEHOODS THAT HAVE CAUSED A GREAT DEAL OF CONCERN AMONG INDIGENT PATIENTS AND OUR VETERANS POPULATION.

OVERALL, ALTHOUGH WAIT TIMES FOR UNINSURED AND UNDERINSURED PATIENTS AT OUR HOSPITALS AND CLINICS ARE IMPROVED, THEY'RE STILL TOO LONG.

WE ALSO NEED MORE BED SPACE FOR MENTAL HEALTH PATIENTS. IN A FEW WEEKS, LSU WILL OPEN 33 MENTAL HEALTH BEDS IN LEASED SPACE AT A FORMER MENTAL HOSPITAL IN UPTOWN NEW ORLEANS.

WE ARE ADDING DIAGNOSTICS BEDS FOR MENTAL PATIENTS AT THE INTERIM LSU PUBLIC HOSPITAL, BUT THERE IS AN OVERWHELMING NEED TO DO MORE, AND THIS NEED WILL NOT BE MET UNTIL A NEW, 68-BED CRISIS INTERVENTION UNIT AT THE PLANNED LSU HOSPITAL IS OPENED.

LSU AND THE STATE ARE PLANNING EARLY NEXT YEAR TO DEPLOY A "MEDICAL HOME" DEMONSTRATION PROJECT IN THE NEW ORLEANS AREA FUNDED BY THE STATE OF LOUISIANA.

THE PROJECT WILL PROVIDE COORDINATED, PATIENT-CENTERED CARE THAT UTILIZES PARTNERSHIPS AND HEALTH INFORMATION TECHNOLOGY TO IMPROVE HEALTH OUTCOMES AT REASONABLE COSTS WHILE PROVIDING INCREASED TRAINING OPPORTUNITIES FOR OUR MEDICAL STUDENTS.

KEY TO THE EFFECTIVENESS OF THIS PROJECT WILL BE NEW, SATELLITE HEALTH CLINICS OPERATED BY LSU DOCTORS, NURSES AND ALLIED HEALTH PERSONNEL IN AREAS WHERE OUR PATIENTS LIVE. THOSE CLINICS WILL BE OPERATIONAL BY THE END OF OCTOBER, AND WILL BE IN ADDITION TO THE OTHER COMMUNITY AND FAITH-BASED CLINICS CURRENTLY IN OPERATION.

WE BELIEVE THIS APPROACH WHEN EVENTUALLY DEPLOYED STATEWIDE WILL RELIEVE OVERCROWDING NOT ONLY AT THE INTERIM LSU PUBLIC HOSPITAL IN DOWNTOWN NEW ORLEANS, BUT ALSO AT PRIVATE HOSPITALS THROUGHOUT THE STATE THAT HAVE SEEN THEIR EMERGENCY ROOMS OVERWHELMED BY UNCOMPENSATED CARE PATIENTS.

WHEN THE NEW ORLEANS DEMONSTRATION PROJECT IS FULLY ONLINE, IT MAY WILL INCLUDE AN ELECTRONIC HEALTH RECORD, WHICH OUR FACULTY PHYSICIANS HAVE ALREADY BEGUN IMPLEMENTING. IT WILL PROVIDE QUALITY GUIDANCE AND MONITORING OF THE QUALITY OF CARE DELIVERED. IT WILL ALSO INCLUDE AN INNOVATIVE SOFTWARE PROGRAM TO ENHANCE PATIENT CHARTING AND PRESCRIPTION TRACKING, A SERVICE NOT LIMITED TO LSU-RUN FACILITIES.

WE HAVE ALREADY FORGED PARTNERSHIPS WITH FAITH-BASED CLINICS AND PRIVATE HOSPITALS TO DELIVER CARE IN THE SPIRIT OF HEALTH CARE REDESIGN WITHOUT DEPENDING ON A MASSIVE INFUSION OF FEDERAL TAXPAYER DOLLARS.

OUR GRADUATE MEDICAL EDUCATION PROGRAMS, MEANWHILE, ARE ANOTHER ISSUE. DR. ALAN MILLER FROM TULANE HEALTH SCIENCES CENTER IS TESTIFYING REGARDING SUGGESTIONS OF TEMPORARILY CHANGING HOW GME IS FUNDED FOLLOWING MAJOR DISASTERS. LSU IS STRONGLY SUPPORTIVE OF THE SUGGESTIONS OUTLINED IN HIS TESTIMONY ON GME AND BELIEVE IT WOULD BE VERY HELPFUL IN STABILIZING GME IN THE NEW ORLEANS AREA.

PRIOR TO HURRICANE KATRINA, LSU ANNUALLY TRAINED APPROXIMATELY 627 RESIDENTS AND FELLOWS IN 95 PROGRAMS. TODAY 475 LSU RESIDENTS ARE BEING TAUGHT IN 76 PROGRAMS, A 24 PER CENT DECLINE.

BECAUSE NEARLY THREE OUT OF FOUR PHYSICIANS, DENTISTS, NURSES, AND OTHER ALLIED HEALTH PROFESSIONALS ARE TRAINED BY LSU AND REMAIN TO PRACTICE IN LOUISIANA, I BELIEVE WE ARE FACING A LONG-TERM SHORTAGE OF DOCTORS AND OTHER MEDICAL PROFESSIONALS THAT WILL BE WORSE THAN FORECAST PHYSICIAN SHORTAGES IN OTHER AREAS OF THE UNITED STATES.

THIS VIEW IS BASED ON THE FACT THAT LSU'S GME SLOTS ARE INCREASINGLY GOING TO INTERNATIONAL MEDICAL GRADUATES, ESPECIALLY IN INTERNAL MEDICINE AND FAMILY PRACTICE. THESE YOUNG DOCTORS WILL LIKELY RETURN TO THEIR HOME COUNTRIES ONCE THEY COMPLETE THEIR TRAINING WHEREAS IN THE PAST, THE MAJORITY OF OUR GRADUATES STAYED TO PRACTICE IN OUR STATE.

FOLLOWING KATRINA, THE NEW ORLEANS AREA LOST AN ESTIMATED 50 PER CENT OF ITS MEDICAL PROFESSIONALS. AT LSU, WE LOST MORE THAN 165 FACULTY. HOWEVER, WE HAVE BEEN AGGRESSIVELY RECRUITING AND OUR EFFORTS HAVE YIELDED ALMOST 200 NEW FACULTY MEMBERS DURING THE LAST FISCAL YEAR. WE ALSO EXPECT TO ADD MORE THAN 100 NEW RESIDENCY SLOTS BY NEXT SUMMER.

WE ARE ENCOUNTERING A PIONEERING SPIRIT AMONG NEW FACULTY MEMBERS WHO ARE COMMITTED TO HELPING US REVOLUTIONIZE LOUISIANA'S HEALTH CARE DELIVERY SYSTEM.

THE KEY TO THAT REVOLUTION IS THE CONSTRUCTION OF THE NEW LSU/VA ACADEMIC TEACHING HOSPITALS.

OVER THE PAST FOUR MONTHS, LSU AND THE STATE OFFICE OF FACILITY PLANNING AND CONTROL HAVE ACCELERATED LAND ACQUISITION, AND DESIGN TEAM SELECTION, AND IS ARE MOBILIZING

TEAMS THAT WILL COMPLETE HISTORICAL PRESERVATION AND ENVIRONMENTAL EVALUATION AND CONSTRUCTION OF THESE FACILITIES.

OF PARTICULAR NOTE IN THIS EFFORT IS THE GOVERNOR AND STATE LEGISLATURE'S DECISION TO SUBSTITUTE STATE FUNDS FOR \$300 MILLION IN FEDERAL HURRICANE RELIEF FUNDS TO ELIMINATE ANY POSSIBLE DELAY IN THE STATE MEETING THE DEPARTMENT OF VETERAN'S AFFAIRS TIMELINE FOR BEGINNING THE JOINT PROJECT. AMONG THOSE STATE FUNDS IS \$74.5 MILLION FOR THE PURCHASE OF 37 ACRES OF LAND ALONG WITH DESIGN WORK FOR THE PROJECT. LEGAL TEAMS ARE IDENTIFYING AND EXPEDITING PROPERTY ACQUISITION, ENVIRONMENTAL ASSESSMENTS, AND RELOCATION MATTERS. ARCHITECTS FOR BOTH FACILITIES HAVE BEEN SELECTED.

THE CITY OF NEW ORLEANS AND THE STATE DIVISION OF ADMINISTRATION, MEANWHILE, HAVE EXECUTED A COOPERATIVE ENDEAVOR AGREEMENT TO PURCHASE AN ADDITIONAL 29 ACRES OF PROPERTY ADJACENT TO THE LSU SITE FOR THE EXCLUSIVE USE OF THE VA.

THE LSU/VA COOPERATIVE PLANNING GROUP, WHICH INCLUDES THE VA, LSU AND TULANE UNIVERSITY, HAS IDENTIFIED DOZENS OF

SERVICES THAT WILL BE PROVIDED BY EACH HOSPITAL. MANY OF THOSE SERVICES, SUCH AS LAB WORK AND RADIOLOGY, WILL BE SHARED.

STILL OTHER SERVICES WILL BE PURCHASED FROM EACH HOSPITAL. FOR INSTANCE, LSU WILL PURCHASE EEG, PULMONARY AND AUDIOLOGY SERVICES FROM THE VA WHILE THE VA WILL BUY RADIATION ONCOLOGY, DENTAL, AND DIETARY SERVICES FROM LSU.

LSU ALONE ESTIMATES IT WILL REALIZE MORE THAN \$4.2 MILLION PER YEAR IN OPERATIONAL SAVINGS. OUR BUSINESS CONSULTANTS ESTIMATE COMBINED OPERATIONAL SAVINGS TO LSU AND THE VA WILL EXCEED \$400 MILLION OVER 25 YEARS.

THIS FACILITY MAKES ECONOMIC SENSE. CASH FLOW WILL BE SUFFICIENT TO OPERATE THE FACILITY, SERVICE DEBT, AND FINANCE THE CONTINUED MAINTENANCE OF THE NEW FACILITY, THEREBY REDUCING RELIANCE ON STATE FUNDS.

MOREOVER, THE JOINT HOSPITALS PROJECT, WHICH WILL CREATE 20-THOUSAND JOBS, WILL SPUR GROWTH IN BIOMEDICAL AND RESEARCH SECTORS AND SERVE AS THE SINGLE LARGEST POST-STORM URBAN RENEWAL PROJECT IN NEW ORLEANS HISTORY.

A RECENT LETTER FROM GOVERNOR BLANCO TO SECRETARY NICHOLSON URGING THE VA'S CONTINUED COLLABORATION WITH LSU TO REBUILD THE VA FACILITY IN DOWNTOWN NEW ORLEANS WAS COSIGNED BY LOUISIANA'S LEGISLATIVE LEADERSHIP, THE PRESIDENTS OF LSU AND TULANE UNIVERSITIES AND THE CHANCELLORS OF THEIR MEDICAL SCHOOLS, THE MAYOR OF NEW ORLEANS, THE DIRECTOR OF THE DOWNTOWN DEVELOPMENT DISTRICT, AND A NUMBER OF INDIVIDUALS REPRESENTING VETERANS ORGANIZATIONS.

MY TESTIMONY WOULD NOT BE COMPLETE WITHOUT ADDRESSING TO THOSE WHO CONTEND SUCH A PROJECT SHOULD NOT BE BUILT IN A FLOOD ZONE., IT IS IMPORTANT THAT THEY KEEP IN MIND BREACHES OF FEDERAL LEVEES BY HURRICANE KATRINA'S MONSTER SURGE INUNDATED 80 PER CENT OF THE CITY OF NEW ORLEANS.

FLOOD MAPS INDICATE BOTH PROPOSED SITES FOR THE NEW VA HOSPITAL WERE COVERED OR THREATENED BY UP TO TWO FEET OF WATER.

PLANS FOR THE NEW LSU/VA MEDICAL CENTER, HOWEVER, INCLUDE ARMORING BOTH HOSPITALS AGAINST HURRICANES AND TERRORISM. FIRST FLOORS OF BOTH FACILITIES WILL BE BUILT AT LEAST 25 FEET ABOVE GROUND AND THE TWO HOSPITALS WILL BE CAPABLE OF

**SUSTAINING OPERATIONS FOR 30 DAYS FOLLOWING ANY POTENTIAL
DISASTER**

**FINALLY, LET ME DIRECT YOUR ATTENTION TO OPPONENTS OF THE JOINT
LSU/VA PROJECT WHO CONTEND THAT THE POPULATION OF THE NEW
ORLEANS AREA WILL NOT BE LARGE ENOUGH TO SUPPORT THE NEW
HOSPITALS .**

**POPULATION ESTIMATES INDICATE PEOPLE ARE SLOWLY COMING BACK
TO NEW ORLEANS. SINCE KATRINA, AN ESTIMATED 90 PER CENT OF
THE VETERAN'S POPULATION IN NEW ORLEANS HAS RETURNED ALONG
WITH A LIKE PERCENTAGE OF RESIDENTS IN JEFFERSON PARISH WHICH
IS PART OF THE REGIONAL CATCHMENT AREA FOR THE NEW ACADEMIC
MEDICAL CENTER. THE AVERAGE AGE OF THE POPULATION IN THE
CATCHMENT PARISHES FOR THE NEW HOSPITALS WILL BE OLDER THAN
THEIR PRE-KATRINA POPULATION AND WILL HENCE REQUIRE MORE
MEDICAL SERVICES.**

**THIS PROJECT WILL STOP THE SO-CALLED "BRAIN DRAIN" OF SKILLED,
WELL-COMPENSATED MEDICAL WORKERS WHILE ATTRACTING A NEW
GENERATION OF HEALTH CARE PROFESSIONALS. IT WILL ALSO MEET THE
MEDICAL NEEDS OF VETERANS FOR GENERATIONS TO COME.**

AFTER NEARLY TWO YEARS, NEW ORLEANS REMAINS A SHATTERED CITY ON THE MEND, BUT THE OUTLOOK FOR HEALTH CARE AND MEDICAL EDUCATION IS STEADILY IMPROVING.

SINCE THE LAST TIME LSU REPRESENTATIVES APPEARED BEFORE THIS COMMITTEE, OUR INSTITUTIONS HAVE BEGUN AGGRESSIVELY WORKING OUT AND IMPLEMENTING SOLUTIONS ON THEIR OWN, BUT WE STILL NEED CONGRESSIONAL HELP.

THE MESSAGE FROM NEW ORLEANS TODAY IS THAT WE ARE MAKING MAJOR PROGRESS IN BUILDING A “MEDICAL HOME” BASED HEALTH CARE DELIVERY MODEL USING AN ELECTRONIC MEDICAL RECORDS SYSTEM THAT WE BELIEVE WILL SERVE AS A MODEL FOR THE NATION.

MR. CHAIRMAN AND MEMBERS, THANK YOU FOR THIS OPPORTUNITY TO DISCUSS THESE ISSUES. I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.