

## **Health Care in New Orleans from the People's Perspective**

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Before the U.S. House of Representatives  
Committee on Energy and Commerce  
Subcommittee on Oversight and Investigations

“Post-Katrina Health Care in the New Orleans Region:  
Progress and Continuing Concerns, Part II”

August 1, 2007

## **Summary of Testimony by Diane Rowland, Sc.D.**

### **Health challenges were among the problems facing the New Orleans population**

- Getting health care facilities up and running was one of public's top priorities
- Nearly half (49%) of adults reported problems with health care coverage and access to care in post-Katrina New Orleans
- One in ten adults rated their overall health as fair or poor; four in ten had chronic conditions
- One in twelve adults rated their mental health as fair or poor

### **Adults continued to express limited health coverage and access a year after Katrina**

- A quarter of nonelderly adults are uninsured; in Orleans Parish, 1 in 3 nonelderly adults are uninsured and 70% of the uninsured are African American
- Children fare better than adults with four in ten households with children with a child on Medicaid or LaCHIP and only 9% with an uninsured child
- Uninsured adults reported lower utilization of health services than privately insured; only 14% had received preventive care in last 6 months compared to 41% of privately insured
- 43% of adults report their access to health care declined after Katrina, making it harder to travel to medical care or changing the nurse or doctor they saw
- Over a quarter of adults have no usual source of care other than an ER, with over half (54%) of the uninsured and 61% of former Charity users without a usual place to go

### **Rebuilding the health system is a high priority and some progress has been made**

- LaCHIP expansion to 300% FPL will provide additional coverage for children
- Incentives for health care workforce to practice in the region can help to recruit back needed professionals
- Funding for primary and preventive care at clinics can provide a source of care for the poor and uninsured

### **Further steps that could help make health services more available in the region and underpin the rebuilding efforts include:**

- Broadened health coverage, especially for adults, to improve their access to health services and reduce uncompensated care burdens
- Increased availability of inpatient and outpatient psychiatric services to help alleviate the backlog in ERs and assist critically ill patients
- Flexibility to use Medicaid DSH funds in community clinics and physician offices to support providers and expand availability of services for the poor and uninsured
- Determining the scope and role of academic health centers, VA, and Charity Hospital System to provide a source of care for the low-income population and uninsured and provide a base for training and recruitment of health personnel

Mr. Chairman and members of the Oversight subcommittee, I want to thank you for your ongoing attention to the health care needs facing the people of New Orleans as they seek to rebuild their city and their lives. I am Diane Rowland, Executive Vice President of the Kaiser Family Foundation, and serve as the Executive Director of the Foundation's Kaiser Commission on Medicaid and the Uninsured. From 2004-2006, I served as a national member of Louisiana's Health Care Reform Task Force that endeavored to develop a plan for improving health and long-term care services in Louisiana, a process unfortunately overtaken by the aftermath of Hurricane Katrina and the levee failures in New Orleans.

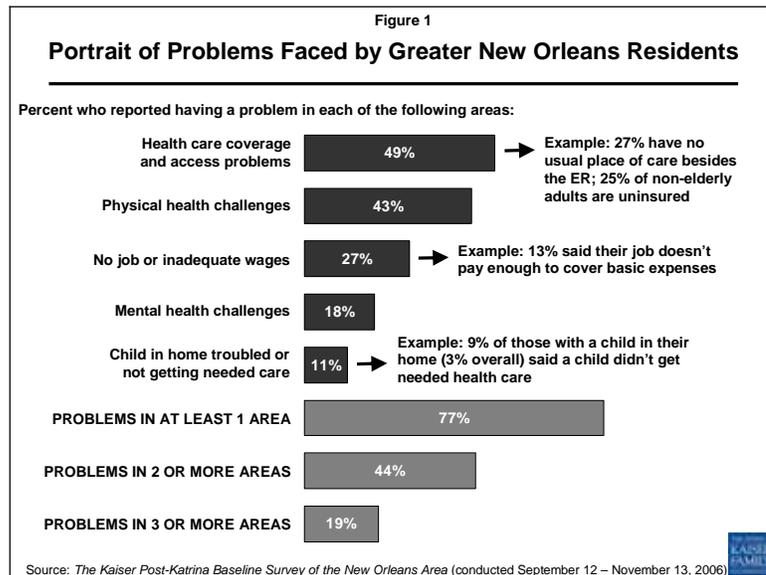
I am pleased to join the proceedings today as you continue to focus on the impact of Hurricane Katrina and the subsequent flooding on the people of New Orleans and the health care system. My statement today will focus on health care needs and access to health services in the New Orleans area, drawing on findings from the Kaiser Family Foundation's post-Katrina survey of residents of New Orleans, conducted in the fall of 2006—more than one year after Katrina made landfall.

You will hear today from government officials and health care providers in New Orleans about the continuing shortfalls in meeting the health needs of the residents of New Orleans and efforts to restore health care services and restructure the health system. I hope my testimony will provide additional insight into the challenges facing the health care community from the perspective of the many residents living in Orleans, Jefferson, St. Bernard, and Plaquemines Parishes who participated in our survey and voiced their concerns and experiences obtaining health care in post-Katrina New Orleans.

## HEALTH NEEDS IN NEW ORLEANS

Our survey findings highlight both the health needs of the people living in the New Orleans area and the priority they place on restoring health care services as part of the recovery efforts. Four in ten adults ranked getting medical facilities up and running as one of their top priorities, making it the public's top priority after repairing the levees and controlling crime.

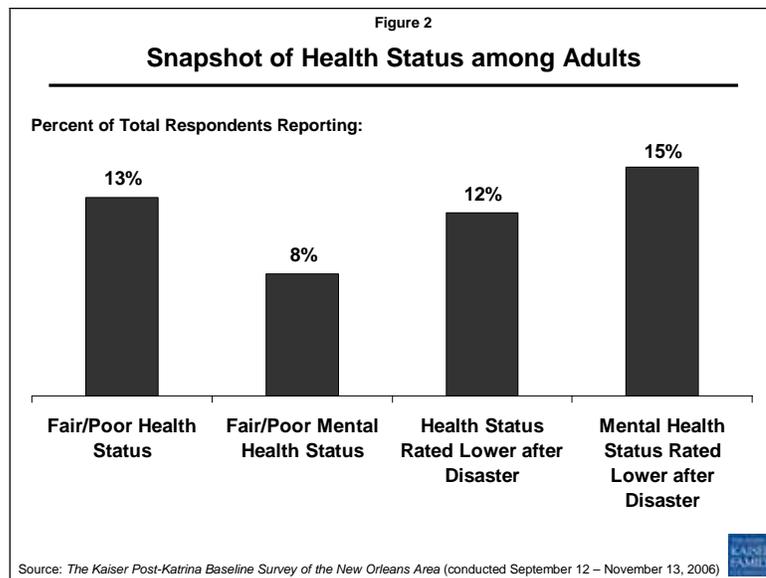
Nearly half (49%) of adults report health care coverage and access problems, with 27% of adults saying they have no usual source of care other than an emergency room and a quarter of nonelderly adults without health insurance (Figure 1). In addition to their own health and mental health problems, one in ten residents reported a child in the home who was troubled or not getting needed care. Overall, three quarters of the adults living in New Orleans post-Katrina experienced one or more of the problems asked about in the survey.



Prior to Katrina, Louisiana had some of the poorest health statistics in the country, with high rates of infant mortality, chronic diseases such as asthma, diabetes, and AIDS,

and large disparities in health status for minorities. The African American population had higher mortality rates from heart disease, cancer, stroke, and diabetes compared to whites.<sup>1</sup> These health challenges were not washed away by the floods.

More than one in ten adults in our survey rated their physical health as fair or poor, and over four in ten adults in the area reported having a chronic condition or disability (Figure 2). Among the elderly, two-thirds reported having a chronic condition or disability, and almost one in five households with children said they had a child in the household who had been diagnosed with a chronic condition or disability. One in twelve adults rated their mental health as fair or poor, with symptoms of depression and Post-Traumatic Stress Disorder (PTSD) present in the population.



Though health problems are widespread across the population, some groups are facing even greater health challenges than their neighbors. Most notably, the

<sup>1</sup> United States Department of Health and Human Services (US DHHS), Centers for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS), Compressed Mortality File (CMF) compiled from 1999-2003, Series 20, No. 2I 2006 on CDC WONDER On-line Database, queried October 2006. Data available at [www.statehealthfacts.org](http://www.statehealthfacts.org), last accessed July 17, 2007.

economically disadvantaged and the uninsured had relatively higher rates of physical and mental health problems than others, and health disparities for African Americans persist.

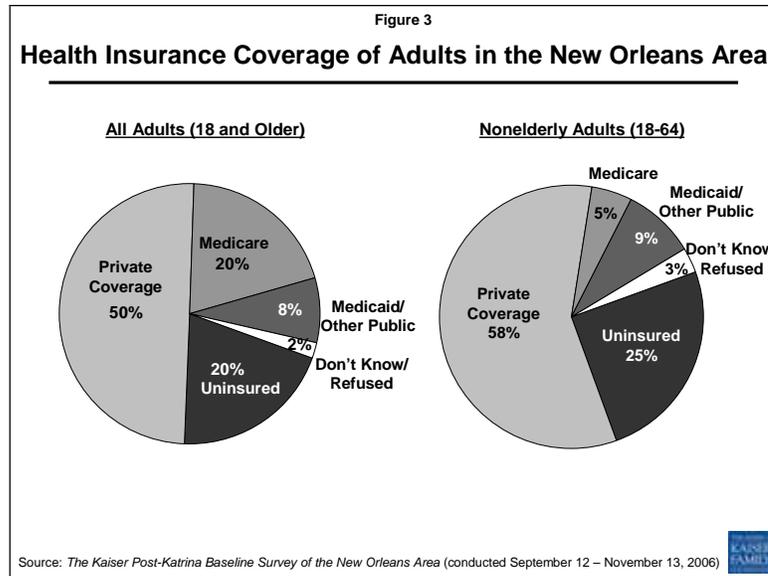
Many adults noted the impact of life after Katrina on their health status—12% reported a decline in overall health and 15% rated their mental health status lower after Katrina. Post-Katrina, African Americans, the uninsured, the economically disadvantaged, and especially those in fair or poor health were the residents most likely to report a decline in their health status. Even though some of the most frail and vulnerable may not have been able to return home, the population remaining in the Greater New Orleans area still faces physical and mental health challenges that underscore the importance of improving the availability of health services and providing access to both health and mental health services.

### **HEALTH COVERAGE**

Health insurance coverage is a critical factor shaping how well health care needs are addressed. In the fall of 2006, our survey found roughly half of adults in the New Orleans area reported that they received their health coverage through the private market, with the majority receiving coverage through their employer (40%) and the balance buying coverage on their own (10%, Figure 3). One in five respondents reported coverage through Medicare, and roughly 8% reported primary coverage through Medicaid or other public programs. However, 20% of adult residents age 18 and older reported no source of insurance coverage whatsoever – a rate significantly above the 15% of adults who are uninsured nationally.<sup>2</sup>

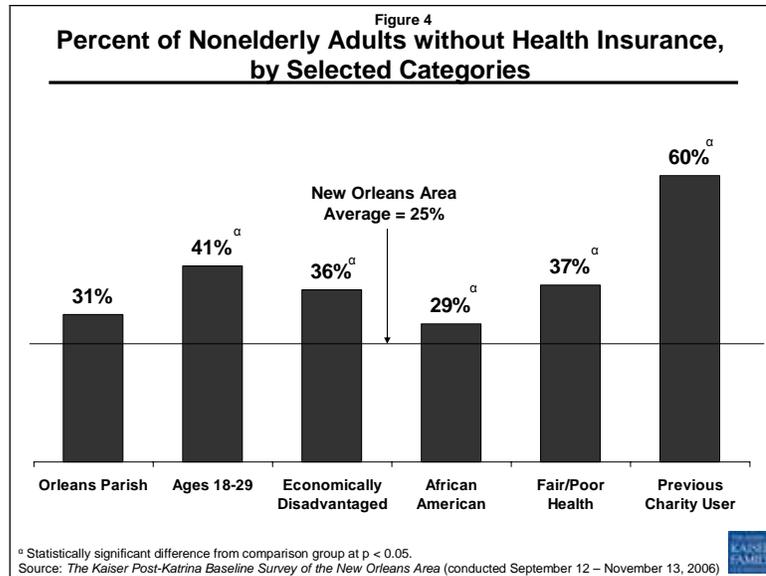
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<sup>2</sup> Source for national statistics: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of the March 2006 Current Population Survey, available at [www.statehealthfacts.org/r/coverage.cfm](http://www.statehealthfacts.org/r/coverage.cfm), last accessed July 17, 2007.



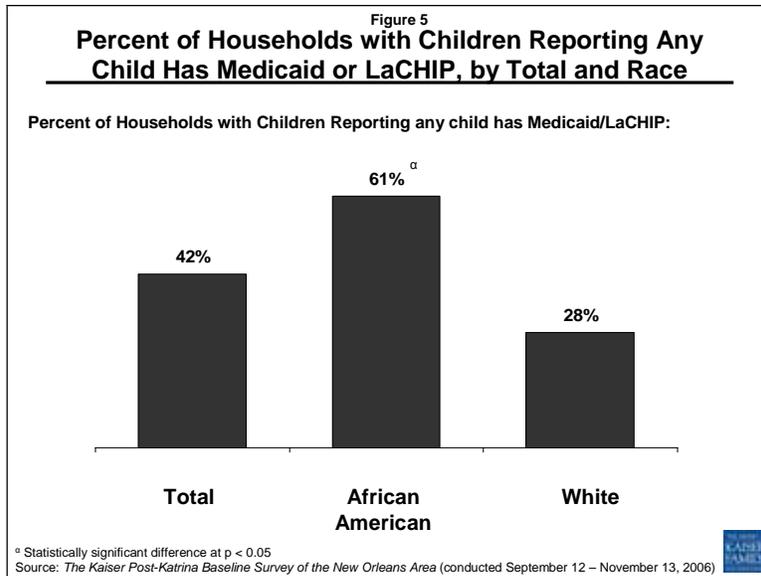
Since most elderly Americans have coverage through Medicare and low-income children are assisted by Medicaid, adults under age 65 comprise the bulk of both the nation’s and Louisiana’s uninsured population. In New Orleans, one in four adults between age 18 and 65 (25%) reported no source of insurance coverage, substantially higher than the national average of 17% for this group.<sup>3</sup> African Americans, the economically disadvantaged, and former users of the Charity Hospital system were most at risk of being uninsured (Figure 4). In Orleans Parish, where three in ten non-elderly adults were uninsured, 70% of the uninsured were African American.

<sup>3</sup> Ibid.

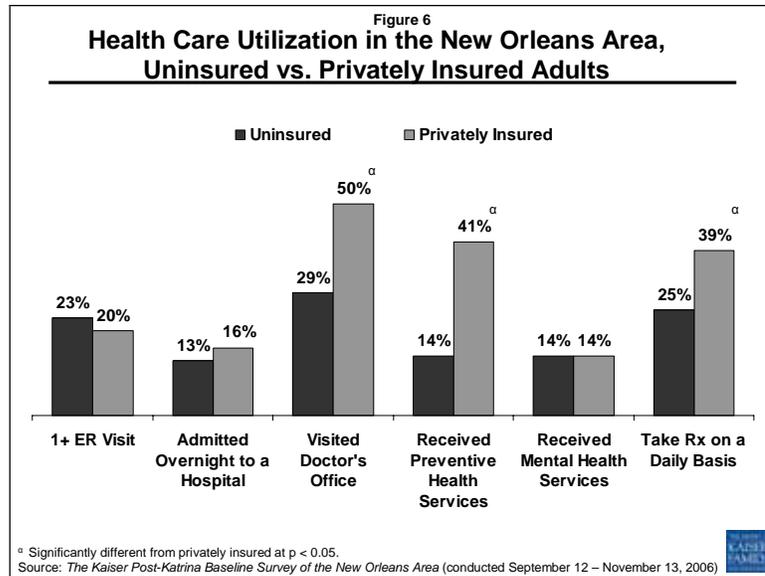


However, in Louisiana the story is quite different for children due to the availability of coverage through Medicaid and LaCHIP. Louisiana has been most successful in reaching out and providing coverage to low-income children, substantially reducing both the share of children without coverage and disparities in coverage. Only 9% of households with children reported having an uninsured child, a comparable rate for both African American and white households despite the substantially higher rate of uninsurance for African American adults compared to whites.

Public coverage through the Medicaid and LaCHIP programs has thus helped to close the coverage gap for Louisiana’s children. Overall, four in ten households with children—61% of African American households compared to 28% of white households—report a child with coverage through Medicaid or LaCHIP (Figure 5). The extensive reach of these programs and low level of uninsurance for children highlights the importance of these programs in reducing racial disparities in coverage and care and giving children a healthy start in life.



Having health care coverage helps to promote access to health care services. Multiple studies have documented that the uninsured use fewer services, are more likely to delay or do without care, and suffer poorer health outcomes than those with insurance. Our survey findings mirror the national studies—uninsured adults in the New Orleans area were significantly less likely than the privately insured to report visiting a doctor or receiving preventive health care in the past six months or to take a prescription medicine on a daily basis, despite being in worse health (Figure 6). For example, only 14% of the uninsured compared to 41% of privately insured adults reported receiving preventive health services in the previous 6 months.



While the high rates of uninsurance in the New Orleans area prior to the storm remain a problem after Katrina, availability of health care for the uninsured has changed. Pre-Katrina, nearly 90% of the healthcare delivered to the area’s uninsured was provided by the state-run public hospital system through the Medical Center of Louisiana at New Orleans (MCLNO), which consisted of Charity and University Hospitals. With more than one in five New Orleans residents uninsured and Charity Hospital closed with only limited services available at University Hospital, access to care for the uninsured poses a serious challenge in post-Katrina New Orleans.<sup>4</sup>

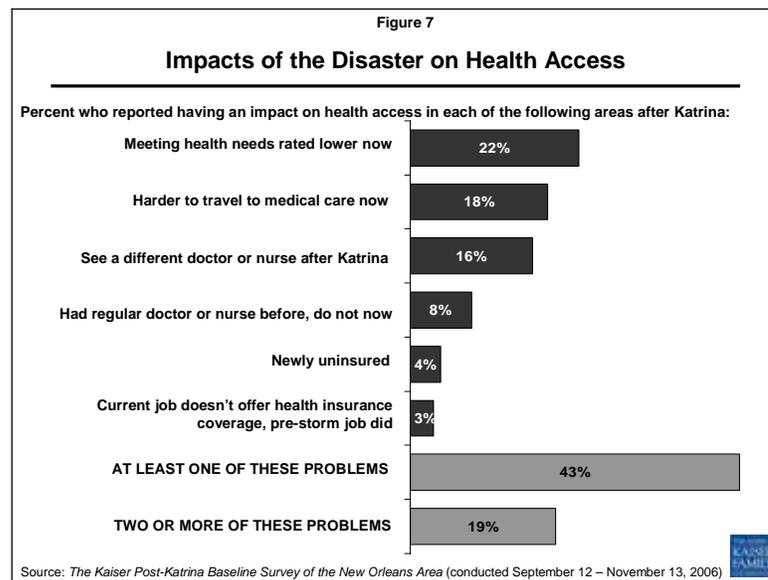
### **ACCESS TO HEALTH CARE**

Because Katrina caused such profound disruption to nearly all aspects of life in the New Orleans region, individuals face a range of challenges in accessing needed care post-Katrina. Individuals were relocated within the region to areas where they did not know the doctors or hospitals; hospitals themselves were shuttered or offered greatly

<sup>4</sup> Rudowitz, R; Rowland, D; Shartzer, A. “Health Care in New Orleans Before and After Hurricane Katrina” *Health Affairs* 25 (2006): w393-w406.

reduced services; and physicians and their medical staff left the area in significant numbers.

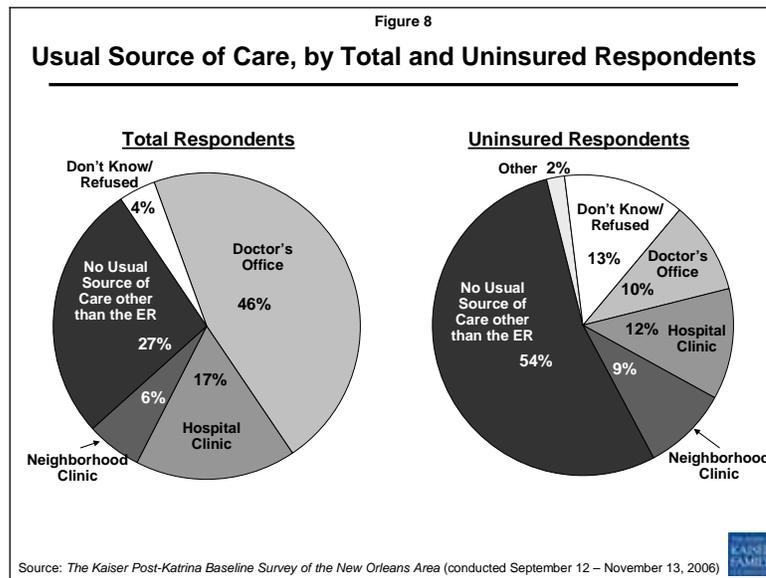
Taken together, these factors made it difficult for many New Orleans area residents to maintain their connections to their usual hospital, clinic, and physicians. Overall, 43% of adults say their access to care was negatively affected by the storm's aftermath, with nearly one in five (18%) saying it was harder to get to their place of medical care now (Figure 7). Some noted they see a different doctor or nurse after Katrina and others reported they no longer had a regular nurse or doctor.



Having a doctor or clinic one views as a usual source of care helps to promote access to needed care in an appropriate and timely fashion. Research has demonstrated that those with a usual source of care are less likely to experience unnecessary hospitalizations or visits to the emergency room for conditions that could more appropriately be treated in a clinic or doctor's office.<sup>5</sup> Yet in post-Katrina New Orleans,

<sup>5</sup> Petersen, et al. 1998. "Nonurgent Emergency Department Visits: The Effect of Having a Regular Doctor", *Medical Care*, 36(8):1249-1255; Bindman et al. 1996. "Primary Care and Receipt of Preventive Services," *Journal of General*

one in four adults (27%) said they had no usual source of care other than an emergency room. Less than half (46%) of respondents identified a doctor's office as their primary usual source of care, compared to two-thirds of adults (66%) who do so nationally (Figure 8).<sup>6</sup> Given the loss of provider capacity in post-Katrina New Orleans and the widespread disruption to the health care system, this lower rate of identifying a physician's office as the usual source of care is not surprising.



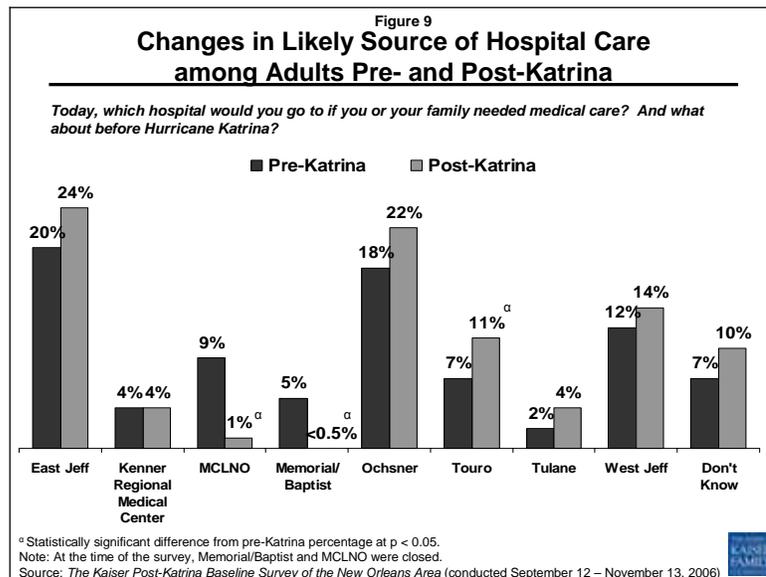
Access to a usual source of care is even more problematic for the uninsured. More than half of uninsured area residents (54%) reported no usual source of care other than the ER (roughly the same as the proportion nationally), and only 10% reported a physician's office as their usual source of care (compared to 27% of the uninsured nationally).<sup>7</sup> Given the closure of the Charity Hospital system after Katrina, it is also not surprising that 61% of previous users of the Charity Hospital system reported they had no usual source of care besides an ER.

*Internal Medicine*, 11(5):269-276; Sarver, J et al. 2002. "Usual Source of Care and Nonurgent Emergency Department Use," *Academic Emergency Medicine*, 9(9): 916-923.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

Because Katrina’s waters caused hospital closures and widespread population migration within the New Orleans area, many residents also reported a change in the facility they considered “their hospital,” i.e. where they would likely turn should they need hospital-based care. At the time of this survey, only three of the nine acute care hospitals that operated in Orleans Parish pre-Katrina had re-opened, and, due in part to difficulty finding workers to staff beds, only 48% of the pre-Katrina hospital beds in the region were staffed as of November 2006.<sup>8</sup> For the residents living in the Greater New Orleans area at the time of the survey, 38% of residents identified either East Jefferson (20%) or Ochsner Hospitals (18%) as their likely source of hospital-based care prior to Katrina; post-Katrina, nearly half of residents identified these hospitals as where they would go if their family needed medical care (Figure 9).



There was a significant increase in the proportion who identified Touro Hospital as the hospital they would be likely to use, up from 7% pre-Katrina to 11% after the

<sup>8</sup> Source: Louisiana Public Health Institute, “NOLA Dashboard” November 29, 2006, <http://www.noladashboard.org> (Archive accessed July 6, 2007).

storm. Touro was the first inpatient facility to re-open in Orleans Parish after Katrina, reopening its emergency department on September 28, 2005. Pre-Katrina, 9% of current residents said the Charity Hospital complex was their care source, dropping to 1% after Katrina with the hospital still shuttered.

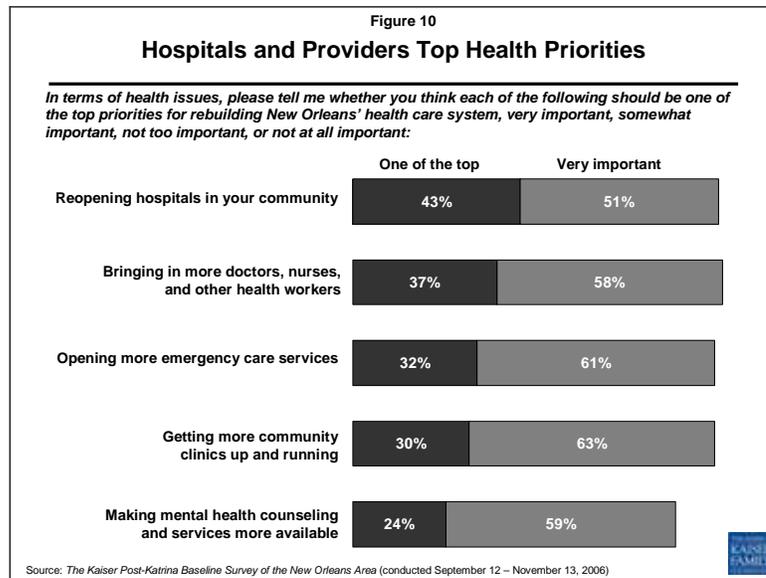
Findings from this survey document that previous users of the Charity Hospital system, together with the broader uninsured and Medicaid populations, were disproportionately affected by Katrina's devastation. But they were not alone. Hospital closures and the loss of medical professionals appear to have affected nearly everyone who lives in post-Katrina New Orleans. Indeed, the storms of 2005 had a leveling effect across some health access and utilization measures, creating new access to care barriers for many still living in the region.

### **PRIORITIES OF THE POPULATION**

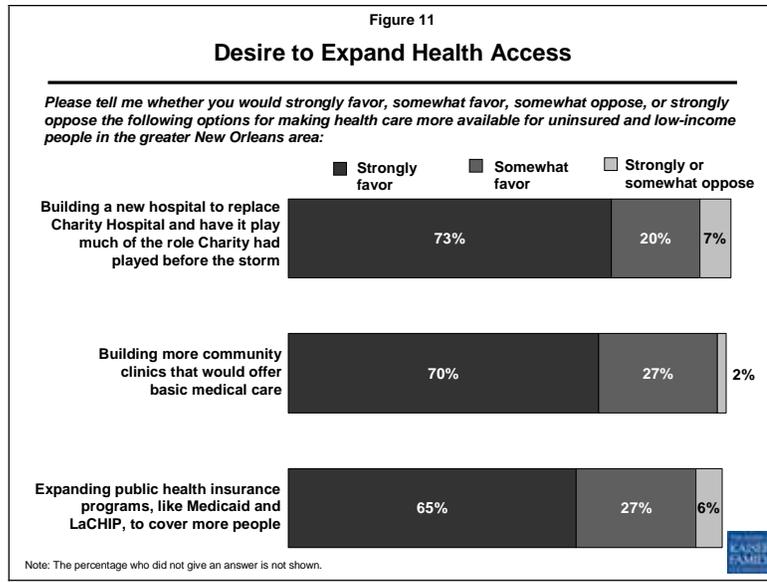
The aftermath of Katrina disrupted the lives of most residents of the New Orleans area across a variety of measures—finances, employment, housing, social networks, physical and mental health and access to health care. Getting medical facilities up and running ranked as one of the top priorities for the public. More than a year after the storm, nine in ten adults in our survey said they did not think there were not enough hospitals, clinics, and doctors in the area to take care of the people living in New Orleans or enough health services available for uninsured and low-income people.

Rebuilding the health care system in New Orleans was thus a high priority for more than eight in ten survey respondents (Figure 10). Reopening hospitals in their community was one of the top priorities for 43%, with another 51% stating it should be very important. There was also very strong support for other steps to rebuild and expand

health capacity—bringing in more doctors, nurses, and other health workers, getting community clinics operating, and making mental health services more available.



Adults in the New Orleans area appeared to be supportive of several different scenarios that might make health care more available for the low-income and uninsured population (Figure 11). About three-quarters (73%) strongly favored rebuilding Charity Hospital and having it play much the same role it played before Katrina. Seven in ten strongly supported building more community-based primary care clinics, and 65% were strongly in favor of expanding public health coverage through programs like Medicaid and LaCHIP.



## STEPS TO ASSIST WITH THE RECOVERY OF HEALTH CARE IN NEW ORLEANS

As the people in the New Orleans area continue to struggle with a wide range of challenges rebuilding their lives and their city in the aftermath of Hurricane Katrina and the subsequent flooding, establishing a health system to provide ongoing preventive and primary care services—and specialty care when needed—is an essential component of recovery efforts. In the time period since the committee’s last hearing in March 2007, some additional progress has been made in making health services more available for the residents of the New Orleans area, but the task is far from complete.

To reduce the number of uninsured children, Louisiana has expanded health coverage through LaCHIP for children in families with incomes up to 300% of the federal poverty level (about \$51,510 for a family of three in 2007). This expansion builds upon the past success of Medicaid and LaCHIP in providing coverage to low-income children in the state and will help children both statewide and in the New Orleans area to access the preventive services and medical care they need to have a healthy start

in life. However, coverage for the one in four nonelderly adults who are uninsured remains a challenge.

To help address primary care and workforce shortages, in May, the Department of Health and Human Services released \$100 million in funds for the Gulf Region authorized in the Deficit Reduction Act. These funds are to be used to help support public and non-profit clinics that provide primary care to low-income and uninsured residents in the area and assist with recruiting much-needed health workers back to the area through the Greater New Orleans Health Services Corps. This support for primary care services provides an important foundation for building a community-based system but is only one component of reestablishing the full range of health care services for the city.

While these recent steps are important, many issues in reshaping the health system remain unresolved and will affect access to care in the future for the people of New Orleans. The health challenges for coverage and access to care for the poor and uninsured long pre-dated Katrina's devastation, but the impact of the hurricane and the subsequent flooding further compromised their access to care and also affected the health services available to all New Orleans residents. Rebuilding health capacity is a critical component to bringing back New Orleans as a viable and desirable city for those who live there.

The rebuilding efforts need to address a wide range of issues in redesigning the health care system and upgrading access to care for residents. Among the options that could be considered:

- Broadened health insurance coverage, especially for adults, to promote access to care, reduce uncompensated care burdens, and help bolster financing for physician and clinic services. Broader health coverage for the population could help ensure that dollars follow the patients to their place of care with compensation to providers to enable health services to remain available in the New Orleans area.
- Providing alternatives to care for those now relying on ERs. Hospitals' emergency rooms have been busy places over the last two years, as they have cared for those with mental health crises, those with other emergent health problems, and those who have no where else to turn for medical care, but delivering this care and other health services to people without adequate compensation has strained the fiscal viability of health care facilities and threatened their ability to continue operating at current levels. With health services already at reduced levels, the closure of additional health facilities could aggravate the health access problems described previously.
- Using health care payment policy as a tool to help reshape the way health care is delivered by allowing flexibility in the use of Medicaid DSH funds for non-institutional services and to reimburse physicians. This would provide a funding mechanism to reimburse physicians (not just hospitals) for treating the uninsured and help deliver additional support to clinics providing primary and preventive care.
- Providing additional support to rebuild both inpatient and outpatient mental health services. The number of inpatient mental health beds is critically low, creating backlogs for emergency rooms and cycling acutely ill patients through the system with no place to go. Bringing more inpatient beds online in the area and providing access to outpatient care and counseling before patients reach a crisis stage could help alleviate mental health challenges facing the population in New Orleans after the storm.
- Investing in rebuilding a high quality health workforce in New Orleans. The impact of the dislocation of the workforce has made recruitment and retention of health professionals critical to rebuilding efforts. In the short-term, adjusting payment rates to account for above-average labor costs and providing incentives to providers in critical specialties are important. Reforms to Graduate Medical Education (GME) payments to help reestablish medical training programs as a pipeline for future health professionals are essential to building a future health system that can meet the needs of the population.
- Determining the future scope and role for the public hospital system, the VA Hospital, and academic health centers in New Orleans to enable recruitment and training of health professionals as well as provide a source of care for the poor and uninsured. The debate over rebuilding Charity Hospital and the Veteran's Hospital in New Orleans needs to be resolved so that an integrated health care system can be developed to meet the needs of the academic health centers and medical schools for training and accreditation and to provide acute and specialty care for those in need.

In summary, federal, state, and local policymakers need to determine how to restore health care services and capacity and address the health care challenges facing the people of New Orleans. Rebuilding the health system will require stable financing for health care services, which includes defining the role of public coverage through Medicaid and LaCHIP, determining through what means broadened health coverage might be achieved, and reaching consensus on future financing for primary care, uncompensated care, and medical education.

Thank you for the opportunity to testify today and for your continued attention to monitoring the progress in rebuilding the health care system in the region.



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