For Med Schools, Katrina May Have Silver Lining

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New Orleans’ two medical schools, Tulane University and Louisiana State University Health Sciences Center, seem poised for a post-Katrina recovery that may put them on better footing than before the floods wiped out much of their infrastructure and dispersed their faculty, residents, and student bodies. Tulane and LSU officials are optimistic, but success is far from guaranteed.

“The next 6-12 months will be absolutely critical,” said Barbara Beckman, Ph.D., dean of admissions at Tulane. For now, officials at both schools say the downsizing may have a silver lining: It may better prepare the institutions to serve a smaller city with fewer physicians, patients, and hospital beds.

In late February, the U.S. General Accountability Office estimated that only 456 beds were open at three hospitals in the city, down from 2,269 before the storm. Outside the city, about 1,528 beds out of a total 1,814 had reopened. Since the hurricane, 132 medical faculty members at Tulane and 270 at LSU have lost their jobs. The LSU faculty were furloughed, but most are not expected to return, Dr. Larry Hollier, chancellor of the Health Sciences Center, said in an interview.

Because it is primarily supported by the state, LSU has more of an uphill battle than does Tulane, which has benefited from its hospital being owned by HCA Inc., Dr. Beckman said. Physically, 21 of 22 LSU buildings were seriously damaged by the hurricane and subsequent flooding. All of LSU’s teaching facilities were under at least 5 feet of water at some point, Dr. Hollier said.

In the months after the storm, the university was losing $13 million a month, and at the end of 2005, it was facing a $50 million deficit even after $63 million in cuts.

In February, LSU received $50 million in federal hurricane relief money, which was used to help cover resident and faculty salaries. “I never had any doubt that we would keep it going,” Dr. Hollier said.

After the storm, LSU moved its residents to hospitals outside the city and across the state, in particular to Baton Rouge. Some are now back at work in New Orleans. At Touro Infirmary, which is down to 250 beds (from 345), LSU has 50 residents—a substantial increase from the 8 before the storm.

But just because LSU found positions for its residents doesn’t mean the school was going to be paid for their salaries and upkeep. Under the federal graduate medical education program, schools are required to have affiliation agreements, and LSU does not have any with those new facilities. The school sought a waiver from the Centers for Medicare and Medicaid Services to receive payment for those new slots.

In April, CMS announced its intention to grant the waiver to LSU and all the schools affected by Katrina in an interim final rule. The waiver, which would let schools receive payments retroactive to the storm for residents at any institution, will become final later in the year. Tulane sought the same waiver, said Dr. Ronald Amedee, dean of graduate medical education. Before the storm, the school had 46 fully accredited programs and 521 residents and fellows in the city. With the evacuation and closures, 217 were transferred to Texas Medical Center, 200 to other sites in Louisiana, and 150 to facilities across the United States. Before the storm, Tulane had agreements with 13 institutions; residents are now at 91 different hospitals, Dr. Amedee said. LSU had 802 residents at 12 teaching hospitals around the state before the storm. Most were moved to other hospitals in Louisiana, and 100 have been granted permanent transfers.

On a bright note, the chaos in New Orleans has not dissuaded future physicians from seeking residencies at city institutions. Tulane’s 70 residency slots were easily filled; 20 are from the medical school’s 2006 graduating class. “This is one of the most successful matches we’ve had in decades,” Dr. Amedee said. He said the school attracted top-tier candidates. But they were different than those in years past—many have done charity work in developing countries or with organizations like Habitat for Humanity, and many are seeking a dual master’s degree in public health and an MD degree. “This is a group of people that came here and did not see water marks on buildings and debris piled up in the street as a negative—they saw it as a positive,” Dr. Amedee said.