



Transforming Health Care Delivery: Insights from the New Orleans Safety Net

FORUM SESSION ANNOUNCEMENT

A DISCUSSION FEATURING:

Diane Rittenhouse, MD

Associate Professor

Department of Family and Community Medicine

Institute for Health Policy Studies

Center for Excellence in Primary Care

University of California, San Francisco

Karen DeSalvo, MD

Executive Director

Tulane University Community Health Centers

Professor of Medicine and Vice Dean for Community Affairs and Health Policy

Tulane University School of Medicine

Joia Crear-Perry, MD

Director of Clinical Services

New Orleans Health Department

Anthony "Tony" Keck

Deputy Secretary

Louisiana Department of Health and Hospitals

FRIDAY, APRIL 16, 2010

9:00AM–9:30AM—Breakfast

9:30AM–11:15AM—Discussion

LOCATION

Reserve Officers Association

One Constitution Avenue, NE

Congressional Hall of Honor

Fifth Floor

(Across from the Dirksen

Senate Office Building)

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nhpfmeet@gwu.edu

National Health Policy Forum

2131 K Street, NW
Suite 500
Washington, DC 20037

T 202/872-1390
F 202/862-9837
E nhpf@gwu.edu
www.nhpf.org

Judith Miller Jones
Director

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Deputy Director

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Forum Session Managers

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Principal Policy Analyst

Michele J. Orza, ScD
Principal Policy Analyst

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Behind the national health reform law lies a vision for greater investment in prevention and primary care, a reorientation of our health care system from hospital-based acute care to include more community-based primary care as a means to improve health and “bend the cost curve.” New Orleans has been a case study in working to achieve such a vision for its health care system since Hurricane Katrina and levy breaches devastated large swaths of the city in August 2005. Although much attention has been focused on how to finance the rebuilding of its public hospital, New Orleans has made great strides in shifting a once public hospital–centric model of caring for the uninsured and low-income to a community-based network of public and private clinics. This is noteworthy because the shift is happening with a relatively modest federal investment in primary care services in New Orleans compared with the more substantial Disproportionate Share Hospital (DSH) program that funds only hospital-based care for the uninsured.¹ The transformation in New Orleans is happening at the practice level as well, where more than one-third of federally funded clinics have been recognized by the National Committee for Quality Assurance (NCQA) as meeting at least the minimum standards of the patient-centered medical home model. This focus on building high-quality, community-based capacity should help these clinics retain currently uninsured patients when they become newly insured in a few years, when health reform’s coverage expansions begin.

As the country embarks on health reform implementation, many communities are wondering what the changes will mean for them. Health reform provisions aimed at bolstering the primary care workforce and paying primary care providers more for the services they provide to Medicaid patients demonstrate Congress’ recognition that delivery system capacity must be addressed to meet the increased demand for services that insurance coverage expansions will bring. New Orleans provides an “in progress” example of the system- and practice-level restructuring that many hope to achieve nationally. Yet even the future of the delivery system in New Orleans is uncertain. Many wonder what will happen to the progress made when special federal grant funds expire at the end of September 2010 and Medicaid insurance coverage expansions do not begin until 2014. Massive new investments in federally qualified health centers (FQHCs) will be available beginning in October 2010, but how many of those dollars will find their way to New Orleans where disproportionately few flowed before? Qualification requirements to become an FQHC are stringent, and most clinics must evolve to meet them. What will happen to safety net providers who do not meet the

FQHC requirements? No doubt such large infusions of funds will come with calls for strong accountability mechanisms to measure access, cost, and quality, but questions exist about the appropriateness of the FQHC model for every community.

Before Hurricane Katrina, primary care access for low-income and uninsured New Orleanians was concentrated in the Charity health care system administered by the Louisiana State University (LSU) system. Historically the state funded the separate Charity health care system to treat low-income and uninsured people instead of distributing funding to community-based health care providers; many call it a “two-tier” system—separate and unequal—whereas others assert that it represents high quality and good value for the scarce dollars allotted. After Hurricane Katrina, Charity and University Hospitals (together known as the Medical Center of Louisiana at New Orleans, or MCLNO) and their outpatient clinics closed. On the inpatient side, University Hospital reopened about 14 months after the hurricane, providing some inpatient capacity. Since the storm, MCLNO has changed its primary care delivery model to bring services to neighborhoods instead of rebuilding all of its primary care capacity downtown. Some question whether this more distributed model of care actually reflects a shift in the nature of the care being delivered. While that remains open to debate, the shift in the locus of care for the uninsured and low-income away from MCLNO to a broad array of private, not-for-profit clinics is clear.

The transformation in New Orleans has been supported by a \$100 million congressional appropriation that had been authorized in the Deficit Reduction Act of 2005 in order to restore access to health care services in communities affected by Hurricane Katrina. The U.S. Department of Health and Human Services awarded the \$100 million Primary Care Access and Stabilization Grant (PCASG) to the Louisiana Department of Health and Hospitals in July 2007. The three-year grant is set to expire on September 30, 2010. Nearly \$1 million from The Commonwealth Fund is being used to evaluate the impact of the federal grant in the areas of patient experience, clinic operations, and regional health care utilization and cost.² With PCASG funding expiring in September, plans to build the New Orleans Academic Medical Center already underway,³ and health reform implementation beginning but with many key provisions not in place until 2014, many are wondering what will become of the gains made in reorienting the New Orleans safety net to focus on community-based primary care.



This Forum session builds on a site visit to New Orleans conducted by the National Health Policy Forum, held May 26 to 28, 2009.⁴ This discussion will focus on insights from the New Orleans experience in transforming primary care practice for the underserved and re-orienting the safety net delivery system. Preliminary results from the evaluation of PCASG will be shared. The session will emphasize lessons that might be generalized to other communities and state and federal policymakers related to delivery system redesign and primary care capacity building.

KEY QUESTIONS

- What were the characteristics of the New Orleans health care delivery system before Hurricane Katrina? What is it like now?
- What are the primary care and behavioral health service needs of New Orleans residents? How well is the current primary care safety net meeting the needs of low-income, uninsured, and vulnerable residents?
- What is the Primary Care Access and Stabilization Grant program, and how has it played out? What are the characteristics of PCASG clinics? How many are federally qualified health centers, FQHC look-alikes, free clinics, or other models? What have been some PCASG successes? Challenges?
- What is the medical home model, and what benefit might it offer New Orleans residents? What has been the experience of PCASG clinics in creating medical homes? What lessons have PCASG clinics learned that are transferable to private sector primary care practices?
- What are the prospects for maintaining gains made in reorienting the New Orleans safety net to more community-based primary care?
- What is the trajectory of building safety net infrastructure? What funding tools exist to help clinics—PCASG recipients and others across the United States—sustain themselves? Given the PCASG experience, are these tools adequate? Are new mechanisms needed and, if so, what might they look like?
- New Orleans has been especially hard hit and received special funding, but for other communities concerned about transforming primary care as a complement to insurance expansion, what can be learned from the city's experience?

SPEAKERS

Diane Rittenhouse, MD, is an associate professor in the Department of Family and Community Medicine, Institute for Health Policy Studies, and Center for Excellence in Primary Care at the University of California, San Francisco. She is the principal investigator for a multi-year evaluation of the PCASG program supported by The Commonwealth Fund. She will provide background on the health care delivery system in New Orleans before and after Hurricane Katrina and will share evaluation results. **Karen DeSalvo, MD**, is the executive director of Tulane University Community Health Centers and is a professor of medicine and vice dean for community affairs and health policy at the Tulane University School of Medicine. She will share her experience building a number of community health centers that have received NCQA recognition as patient-centered medical homes and will discuss key issues for sustaining the successes achieved through PCASG throughout the New Orleans primary care safety net. **Joia Crear-Perry, MD**, is the director of clinical services for the City of New Orleans Health Department. She will speak about the city's role in providing primary care and other critical services, the role that PCASG funds have played in funding much of that care, and discuss the city government's vision for creating a sustainable, community health network. **Tony Keck** is the deputy secretary of the Louisiana Department of Health and Hospitals. He will provide a state perspective on the rebuilding of the primary care safety net in New Orleans, discuss the potential impact of the new Academic Medical Center on the community clinic infrastructure, and share lessons from the Louisiana experience that could inform national primary care and safety net policy.

ENDNOTES

1. For more information see "Medicaid Disproportionate Share Hospital (DSH) Payments," National Health Policy Forum, The Basics, June 15, 2009; available at www.nhpf.org/library/details.cfm/2745.
2. Full evaluation results will be available in 2011. The Commonwealth Fund published the results of a 2009 patient survey in their report "Coming Out of Crisis: Patient Experiences in Primary Care in New Orleans, Four Years Post-Katrina," January 2010; available at www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2010/Jan/Coming%20Out%20of%20Crisis/1354_Doty_coming_out_of_crisis_new_orleans_clinics.pdf. The Government Accountability Office has also studied the impact of the PCASG program: "Hurricane Katrina: Federal Grants Have Helped Health Care Organizations Provide Primary Care, but Sustaining Services Will Be a Challenge," GAO-10-273T, December 3, 2009; available at www.gao.gov/new.items/d10273t.pdf.

3. Until a January 2010 ruling that the Federal Emergency Management Administration must award the state \$475 million to replace Charity Hospital, plans to build a new academic medical center had been stymied.
4. For more information including slides from a pre-site visit briefing and the site visit report, see www.nhpf.org/library/details.cfm/2760.