



Board of Directors

July 8, 2009

City of New Orleans
Health Department
Joia A. Crear-Perry

Janet Woodka
Office of the Federal Coordinator for Gulf Coast Rebuilding
799 9th Street, NW
10th Floor
Washington, DC 20220

Common Ground
Health Clinic
Antor Ndep

Covenant House New
Orleans
Stacy Horn Koch

Dear Ms. Woodka:

Daughters of Charity
Services of New
Orleans
Michael G. Griffin

Thank you for the opportunity to share the status of community health in the greater New Orleans area. This letter is written on behalf of 504HealthNet, a non-profit organization comprised of a diverse group of 14 community health service providers in Jefferson, Orleans, Plaquemines, and St. Bernard Parishes, including all of the federally designated community health centers in greater New Orleans. Together, we are working collaboratively to better meet the primary care and behavioral health needs of low-income, uninsured, and underinsured residents. Our member organizations are all recipients of the Primary Care Access and Stabilization Grant (PCASG), which is currently funding over 80 locations providing care for approximately 150,000 patients annually. Our synergistic health care network represents \$150 million dollars in federal investment in community health since Hurricane Katrina. We believe this money has been used judiciously and wisely to build an infrastructure marked by quality, affordability, and access. In fact PCASG-funded clinics have been able to add healthcare professionals, extend weekday clinic hours, offer weekend hours, and provide medical mobile units.

EXCELth, Inc
Michael Andry

Jefferson Parish
Community Health
Center
Preston Wright

Jefferson Parish Human
Services Authority
Thomas Haut

LSU Health Care
Network
Joel Sellers

Mercy Family Center
Stephen Engro

NO Musicians
Assistance Foundation
E. Johann Bultman

In this letter, we describe the blueprint for an organized system of care and successes in community health in the greater New Orleans area since the devastation wrought by Hurricane Katrina in 2005. In addition, we outline the essential investments needed to provide a critical bridge for sustainability.

NO/AIDS Task Force
Seema Gai

St. Bernard Health
Center
Frank Folino

The devastation of the Gulf Coast by Hurricane Katrina provided an unprecedented **opportunity** to rebuild health care of a major American city that was long overdue for modernizing and reform. The health services for uninsured, some 20% of the population, were geographically concentrated at the Charity Hospital and associated clinics in downtown New Orleans. Funding for this care was largely through the Medicaid Disproportionate Share Hospitals (DSH) program. This funding mechanism for the uninsured was associated with a near exclusive utilization of the Charity Hospital system in Louisiana and extremely strict Medicaid eligibility requirements.

St. Thomas Community
Health Center
Donald T. Erwin

Tulane Community
Health Centers
Karen DeSalvo



The low density of federally designated health centers relative to other states also impacted the accessibility of health care to the uninsured.

Stakeholders quickly realized that the clean slate left in the wake of Katrina was the chance to build their shared vision of a more primary care focused health sector that was more accessible, equitable and effective for all citizens. This was possible because of improvements in the delivery system and changes to financing and payment that allow and encourage the use of primary care and preventive services. This vision was, and is, in perfect keeping with the current national health reform goals.

There has been great **progress** towards realizing this vision in the past few years supported by significant investment by the federal government and private philanthropy. This includes dramatically expanding community-based primary care and mental health services, advancing health information technology, and improving quality of care. Recently, the state made a step towards expanding coverage through a Medicaid waiver submitted in December 2008 that remains pending.

Perhaps the most remarkable success has been the strong foundation for community-based primary and mental health care through federal allocation of \$100 million in May 2007 to support the the Primacy Care Access and Stabilization Grant (PCASG). This investment was designed to support and expand community health care for 3 years while local coverage expansion programs were designed and more of these health centers could be federally designated. Characteristics of the community health network created with this federal investment include:

- 25 Organizations with 87 service delivery sites ranging from school health clinics to comprehensive patient centered medical homes, a 23% increase in sites since inception;
- Use of funds to develop incentives for quality health care. Currently 36 of these sites are NCQA designated Patient Centered Medical Homes representing the highest concentration of PCMH in the nation;
- 150,000 individuals who are largely uninsured or Medicaid beneficiaries depend upon this network for care, a 25% increase in population since inception;
- Employment of an estimated 1000 people including 103 primary care physicians and 294 other health professionals; and
- A grant program that uses patient panel size to equitably divide grant funds and provides incentives for quality.

This network is also supported through a \$50 million program of loan repayment called the Greater New Orleans Health Service Corps, which is successfully recruiting and retaining hundreds of primary care and mental health clinicians. As a result, the area has seen an increase in the density of primary care and mental health providers per population.



In the past few years, there has been progress in major health indices associated with this community health network. Since 2006, according to serial surveys by the Kaiser Family Foundation, 20% more of the uninsured in greater New Orleans report having a usual source of care other than the emergency room. Emergency Department visits for ambulatory care sensitive conditions have decreased with Louisiana now in 6th place nationally compared to 4th pre-Katrina.

Yet while we have made significant progress, many challenges remain. These include:

- The PCASG funding was intended as short term bridge funding until other sustainability options described in health care reform blueprints could be enacted and may expire before these options are enacted threatening the closure of services;
- There is a shortage of capital for development of new community health sites or the expansion of existing sites which limits capacity; and
- Only a fraction of these community health sites fall under the designation of a federally qualified community health center which prevents access to programs designed to ensure sustainability and continually improve care.

We need the assistance of state and federal policy makers to ensure that the primary care and mental health service base created in the past few years can continue to serve the uninsured and others, and is also available to serve the growing number of people who will become newly insured under planned state and federal health reform. The following would build upon the previous health system reform investments and **provide sustainability** for the developing community health network in greater New Orleans.

1. To encourage efficiency, allow a no cost extension of the remaining PCASG funds beyond the expected end date of September 30, 2010;
2. Through state or federal programs, increase Medicaid eligibility to at least 100% FPL to decrease the number of uninsured in the region and state;
3. Allow the use of Medicaid DSH or other funds to support outpatient primary and behavioral health care through a PCASG-like mechanism;
4. Provide Health Resources Services Administration with an opportunity to create a short-term, special program to expand the number of federally designated health center sites and look-alike grantees and other models such as clinics sponsored by healthcare organizations which offer a continuum of care for the uninsured and underinsured sites in the New Orleans area;
5. Provide \$10 million in competitive capital support to allow the development of 5 new community health centers and improvements in others that do not qualify for existing state or federal programs;
6. Adjust the Medicaid Federal Medical Assistance Percentage (FMAP) to disregard extraordinary fluctuations in income following our state's recent hurricane disasters to prevent further cuts to Medicaid and primary care.



We hope this letter provides useful background, current status, and information on needs for sustaining the burgeoning community health network created from the deliberate community actions born of the health care reform blueprint in post-Katrina New Orleans. We look forward to continued dialogue. We also invite you to visit with us in the near future to learn more about our progress and programs.

Thank you for the opportunity to continue to partner with the Office of the Federal Coordinator for Gulf Coast Rebuilding to better meet the health care needs of all of the people of Greater New Orleans.

Sincerely,

A handwritten signature in black ink that reads 'Karen DeSalvo'.

Karen B. DeSalvo, MD, MPH, MSc
Chair, 504HealthNet
Executive Director, Tulane University Community Health Centers