



LSU

HEALTH CARE SERVICES DIVISION

LOUISIANA'S HEALTH SYSTEM

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Status Report

LSU/VA Collaboration in New Orleans

LSU Health Care Services Division

May 17, 2006

Hurricane Katrina left both MCLNO and neighboring the New Orleans VA Hospital in the same condition: shut down and in need of replacement. The VA quickly committed itself to rebuilding and was authorized to expend \$75 million for planning. A congressional appropriation of \$578 million for construction is pending.

! **The Logic of Collaboration.** As both organizations contemplated their future paths, LSU-HCSD and the VA agreed to a joint review of possible options for collaboration. This was a logical step for reasons that extend beyond the destruction of Katrina.

∇ The VA and LSU have a long history of collaboration.

- Before Katrina, the New Orleans VA purchased over \$3 million a year in clinical and other services from LSU, including Cardiothoracic Surgery, Radiation Therapy, and Dermatology.
- Many physicians worked at both the VA and Charity facilities and many medical residents rotated to both hospitals

∇ In addition, both the VA and MCLNO are **public health care systems**. Both provide **far more extensive outpatient than inpatient care**. Both are **integrated systems** incorporating a full range of medical specialties serving a relatively fixed population. This is a structure that opens prime opportunities for effective disease management and other programs that improve care while they conserve resources.

∇ And, the integrated structure and vision of the V.A. system has permitted it to become a leader in the development and use of electronic medical records. This is an objective of LSU, also.

! **The Collaborative Opportunities Study Group Process.** Both organizations since late March have been engaged in a joint study of the opportunities and obstacles in a collaboration that involves construction of new facilities. The effort underway is on track and a report from the joint Collaborative Opportunities Study Group is expected by early June.

∇ The report will identify opportunities and provide information on how a collaboration could work. It will **not** make recommendations, and decision-making will rest in the hands of those in the state and federal systems with that authority. On the LSU side, that includes the Governor, Legislature, and Board of Supervisors and those, such as the LRA, who are involved in the recovery process. On the federal side, Congressional approval will be required.

- ∇ A premise of the study is that each organization would continue to operate autonomous facilities, each with a separate “tower”. Connecting the two, however, would be a connecting space – we’ve come to call it a “corridor” but envision a building in a “U” shape with a linking wing between the two sides that contains infrastructure that both facilities require and possibly some expensive, high tech equipment. The connecting corridor also may house services that both partners utilize and that create opportunities for reduced cost in both construction and operations.
- ∇ Under the concept we are pursuing, the space in the connecting area would be owned by one partner or the other, with use by or services to the non-owning partner established through contract.
- ∇ The study, based on the work of joint clinical, financial and legal/operational subgroups, is engaged in identifying promising areas for collaboration, is costing options and is identifying the legal framework that would support it.
- ∇ **All** the options being analyzed are based on the premise that both LSU and the VA will continue to oversee the care they deliver, employ their own staff, and be governed within their respective state and federal governmental systems.
- ∇ The study has not identified any significant legal or related barriers to the type of collaboration envisioned. It is possible that the most significant obstacle could involve **timing**. For the optimum benefits to accrue, both LSU and the VA must be on the same construction schedule and both parts of a jointly designed facility must open at the same time. If that level of coordination is not possible, then design decisions will have to be made that will preclude many of the significant opportunities for efficiencies through our partnership.
- ! For LSU’s part, our facility in New Orleans will continue to play its critical role in medical education, in partnership with both the Tulane and LSU medical schools.
- ∇ The facility we are discussing, however, is envisioned to be a modern, academic medical center, not an old-model “charity hospital.” It would be a major research center and, certainly if we can join in a collaborative structure with the VA, a major basis for economic development and renewal in the region.
- ∇ It would be the kind of facility that LSU envisioned **before** Katrina, less hospital-centric and with neighborhood clinics and easier access to care, but enhanced by the opportunities of increased collaboration with a partner such as the VA.

Ultimately, decisions about this new facility will rest with the state and federal leadership. Decision-makers shortly will have options to consider which may offer promise in not only resolving the immediate facility problems created by Katrina and which will create long term benefits for patients, education, and the rebuilding community, even while conserving resources.

The LSU Health Care Services Division hospital and clinic system is the largest provider of health care in Louisiana, with more than 1.2 million patient visits annually to 350 outpatient clinics, and 46,000 admissions to nine hospitals.