

Schakowsky Conducts Oversight Hearing in New Orleans

Hospitals Still Waiting For Funding; Schakowsky Demands Answers

By Keith Darce

New Orleans Times-Picayune

January 27, 2006

Months after Congress passed legislation to speed the delivery of federal money to Louisiana's storm-ravaged health-care system, local hospitals are still waiting for the first payments, while their costs climb into the hundreds of millions of dollars, hospital administrators told a congressional subcommittee Thursday in New Orleans.

Stunned subcommittee members said officials with the Federal Emergency Management Agency had assured them that the agency had sent \$400 million to Louisiana to pay for storm-related health-care services. The members also said they thought Congress had removed the main policy barriers that were blocking funding from flowing through the U.S. Department of Health and Human Services immediately after the storm.

But hospital officials appearing at the state Supreme Court building on Royal Street said they have yet to receive a penny.

"I have not seen that funding," said Dr. Jimmy Guidry, the medical director for the state Department of Health and Hospitals. "All I keep doing is filling out applications for funding."

Nearly five months after Hurricane Katrina tore through the region, matters of survival have been supplanted by financial concerns for many New Orleans-area hospitals. Some face huge costs to rebuild damaged facilities. Others have reopened but are straining to deal with an influx of new patients, many of whom are uninsured and unable to pay for services.

Operating losses since the storm have topped \$28 million at West Jefferson Medical Center in Marrero, president and chief executive Gary Muller said. Charity is also seeking reimbursement for \$50 million it has spent on the Spirit of Charity, a military-style tent hospital housed in the Ernest N. Morial Convention Center, said Donald Smithburg, chief of the Louisiana State University division that runs Charity.

Why not New Orleans?

Several members of the Oversight and Investigations Subcommittee of the U.S. House Committee on Energy and Commerce expressed outrage over the slow pace of compensating the hospitals, especially after lawmakers cleared the way in October for DHHS to speed the consideration of waivers from regulations that normally would block payments to state and private hospitals.

"If the country can spend money . . . rebuilding hospitals in Iraq, it seems to me that in our own country we could make a priority out of New Orleans and that money could be flowing here," said Rep. Jan Schakowsky, D-Ill.

DHHS assistant secretary of health Dr. John Agwunobi said he was unaware of any problems. The agency is considering a number of reimbursement requests from Louisiana hospitals, including the one from Charity, he said.

"I don't know that there is a problem with the process," he said.

Schakowsky bristled at his claim. "I can tell you, there is a problem with the process. There is no way you can be in this city and say there is not a problem with the process," she said.

FEMA officials were not invited to participate in the hearing. At least one committee member suggested holding another hearing in Washington and inviting FEMA representatives to attend.

The federal government wasn't the committee's only target Thursday. Several members also chastised state health officials for failing to force hospitals to comply with their own disaster plans.

Guidry acknowledged that state medical officials for years have allowed area hospitals to leave critical equipment, such as emergency generators, in basements and on ground-level floors despite the threat of flooding and provisions in their own disaster plans to move the equipment to higher elevations.

Planning is a problem

"I knew about the generator issue, and when I went around to hospitals we had discussions about how we could get them moved," Guidry said. "Getting it planned and funded, for all these years, have been the issues."

Flooding during and after Katrina swamped hospitals throughout the region, destroying critical utility systems and trapping hundreds of patients and medical staff for days without basic necessities such as electricity and clean water. Most hospitals in New Orleans remain closed, in part because of water-damaged equipment.

"So you never thought you were going to have to put the (disaster) plans in place," U.S. Rep. Marsha Blackburn, R-Tenn., told Guidry. "Why were you giving permits to hospitals if they still

had generators in the basements?"

The committee spent four hours hearing from administrators of six area hospitals, as well as senior state and federal health officials, about the capability of hospitals to survive catastrophes such as hurricanes. The six committee members, who met in the main chambers of the state's historic Supreme Court building, said lessons learned from Katrina by the local health-care industry should be applied to other parts of the country that face threats from earthquakes, tornadoes and other dangers.

The committee avoided questions about criminal probes into storm-related deaths at a New Orleans hospital and a St. Bernard nursing home. At least 140 hospital and nursing home patients in Louisiana died during and after Katrina.

Hospital administrators defended their preparations for Katrina, saying the failure of levees in the region and widespread flooding were both unprecedented and unexpected.

'Up to a point'

"Louisiana's emergency preparedness plans, and our role in them, were fundamentally sound, up to a point," Smithburg said.

Charity's preparations included the purchase of 1,000 five-gallon buckets with lids to collect human waste, 12,000 gallons of bottled water, 1,000 gallons of bleach, and 14 days of pharmaceutical and food supplies above the hospital's normal stock.

Other administrators described conditions after the storm that were both heroic and horrific.

"Shortly after the storm subsided, 200 local citizens began showing up at the hospital seeking medical attention and shelter," said Jon Sewell, chief executive officer of Chalmette Medical Center in St. Bernard Parish.

Staff members treated and stabilized the "refugees," Sewell said, but their numbers strained the hospital's resources and posed a security threat. So they were quickly transferred by boat to a parish-operated shelter, he said.

At Memorial Medical Center in Uptown New Orleans, conditions deteriorated rapidly two days after the storm as 2,000 patients, staff and family members remained trapped by the flood, said Rene Goux, the hospital's chief executive.

"The hospital's air-conditioning system broke down, causing temperatures to reach higher than 105 degrees. The toilets overflowed. The smell of sewage was nauseating and it was unbearably hot. We started breaking windows to give our patients some ventilation," he said.

State Attorney General Charles Foti in October issued 73 subpoenas as part of an investigation into 34 deaths that occurred at Memorial during the ordeal. The hospital's head of anesthesiology has said that no one was euthanized, as has been alleged.

The tried and true

Katrina also laid bare major problems with communications systems, despite costly efforts in the wake of the Sept. 11, 2001, terrorist attacks to beef up emergency communications abilities throughout the country, committee members said.

Many of the hospitals lost most or all modes of communicating with the outside world within a day or two after Katrina struck.

At Charity, land-line, wireless and satellite telephones all failed, but the hospital's old-fashioned ham radio kept working, Smithburg said.

"We learned that ham radio is something we have to continue to invest in and work with," he told the committee.

"Back to the future," Schakowsky quipped.