

New Orleans' Medical Schools Awash in Optimism

Tulane and LSU report more candidates that have done charity work in the U.S. and other countries.

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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 that the downsizing of the schools have undergone may have a silver lining: It may better prepare the institutions to serve a smaller city with fewer physicians, patients, and hospital beds yet potentially more uncompensated care.

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. (See box.)

Outside the city, about 1,528 beds out of a total 1,814 had reopened.

Since the hurricane, 132 members of the medical faculty 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.

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

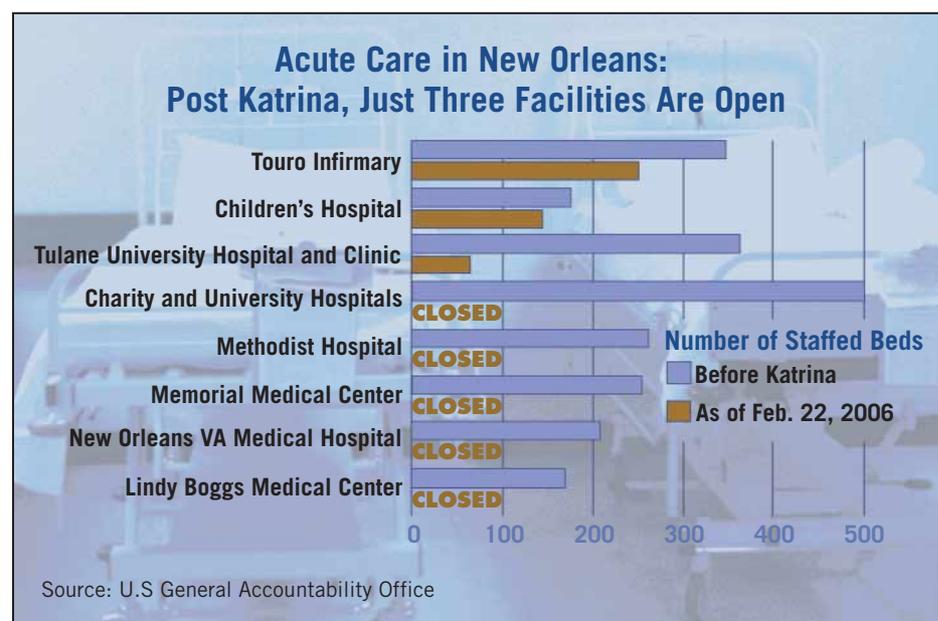
seriously damaged by the hurricane and subsequent flooding, according to Dr. Hollier. In the months after the storm, the university was losing \$13 million a month, and at the end of 2005, it was facing a \$50 million deficit even after \$63 million in cutbacks. In February, LSU received \$50 million in federal hurricane relief money, which was distributed by the state-run Louisiana Recovery Authority to help cover resident and faculty salaries.

Initially, all seven of LSU's teaching hospitals were out of commission, leaving many of the school's residents at loose ends. 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 does not 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 110 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.

Dr. Amedee 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. At LSU, 76 of the 172 students in the graduating class decided to stay in-state.

Tulane moved all 155 of its first- and second-year students to Baylor College of Medicine in Houston, where they are taking classes from the 150-200 faculty still on the Tulane payroll. The third and fourth years are taking electives in Louisiana, Texas, and elsewhere. Tulane aims to reopen its medical school in July.

Most LSU students were relocated to the school's main Baton Rouge campus, but the schools of public health and graduate studies returned to New Orleans in January. Dr. Hollier said that he expected the medical and nursing students to start attending classes in the city in July, and that medical school applications are on par with previous years. At Tulane, about 8,000 students have applied for 155 positions. ■

Medicare Cuts Coming in 2007

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have led to annual proposed cutbacks and yearly congressional bailouts.

"I think Congress agrees that it's not a fair system," Patrick Hope, legislative counsel for the American College of Physicians, said in an interview. ACP is not optimistic that the SGR will be addressed in 2006, an election year, Mr. Hope said.

Physician organizations said they will try to stop the cuts. Some also will continue to push for a system that would reward physicians with higher fees in exchange for more quality reporting, and tying physician fees to the Medicare Economic Index.

In a statement, Dr. Duane Cady, AMA chair, said that the 2007 reduction "is just the tip of the iceberg." Over 9 years, the pay cuts will total 34%, while practice costs will increase 22%, Dr. Cady said.

The fastest-growing components of physician services included imaging (16% growth), laboratory and other tests (11% growth), and procedures (9% growth), according to the letter. Procedures accounted for 26% of Medicare spending, com-

pared with 14% for imaging and 12% for laboratory and other tests.

An increase in evaluation and management services accounted for the largest portion of the 8.5% overall growth in physician services, but the growth rate—7%—was less than for the other services.

ACR's Dr. Crow noted that while the 4.6% cut in overall physician pay for 2007 is bad news for physicians in general, the budget deals rheumatology a particularly cruel blow.

"We're really upset about the 2007 budget," said Dr. Crow, who holds the Benjamin M. Rosen chair in immunology and inflammation research, and is professor of medicine and director of the rheumatology research and autoimmunity and inflammation program at the Hospital for Special Surgery, New York.

"The ACR has reviewed the 2007 proposed budget, and . . . we see a 38% cut in arthritis and related disease programs at the CDC," she said. This cut includes elimination of funding for the National Lupus Patient Registry.

In response to the 2007 budget cuts, the ACR plans to continue to encourage Congress to support arthritis legislation, according to Dr. Crow. Also, letters will continue to be sent to the House Committee on Appropriations asking for CDC budget protection and to allow for a 3% inflation increase to the NIH research budget that impacts arthritis funding.

At the NIH, when the budget stays the

same, investigators are not able to maintain their work. If investigators cannot get funding, their institutions can't support them, and they are then lost from the field forever, said Dr. Crow. "It's a really serious situation" that has a "long-lasting bad impact."

The ACR also will continue working with other societies and physicians to fix the CMS formula, she noted. ■

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