

# For Med Schools, Katrina May Have Silver Lining

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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 the schools have undergone may have a silver lining: It may better prepare the institutions to serve a smaller city with fewer doctors, 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. Outside the city, about 1,528 beds out of a total 1,814 had reopened.

Since the hurricane, 132 medical faculty members 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 in an interview.

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., said Dr. Beckman.

Physically, 21 of 22 LSU buildings were seriously damaged by the hurricane and subsequent flooding. All of LSU's teaching facilities were under at least 5 feet of water at some point, according to Dr. Hollier.

In the months after the storm, the university was losing \$13 million a month. By 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. "I never had any doubt that we would keep it going," said Dr. Hollier.

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 doesn't 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, said Dr. Amedee.

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.

"This is one of the most successful matches we've had in decades," said Dr. Amedee. "We really hit it big."

He said the school attracted top-tier candidates. But they were different from those in years past—many have done charity work in developing countries or with organizations like Habitat for Humanity.

"This is a group of people that came here and did not see water marks on buildings and debris piled up in the street as a negative—they saw it as a positive," Dr. Amedee said.

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 campus in Baton Rouge, 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.

"I've got an overfilled class," noted Dr. Beckman, who said Tulane always has a large number of applicants, but "what's different this year is the enthusiasm level." ■

## POLICY & PRACTICE

### Fake Botox Murder Charge

A California beautician was indicted for manslaughter for allegedly causing the death of a client following a fake Botox injection. Martha Mata Vasquez was accused of injecting cooking oil into the buttocks of the client, who died of an embolism in November. Ms. Vasquez faces up to 8 years in prison. This appears to be the first death linked to a counterfeit injection, although at least four people were paralyzed last year after receiving a raw animal toxin, said Caroline Van Hove, a spokeswoman for Botox manufacturer Allergan Inc. The company and the Food and Drug Administration closely monitor the injectable market in the hope of rooting out fake products and illegal use by unlicensed practitioners, Ms. Van Hove noted.

### Connetics Insider Trading

The Securities and Exchange Commission has charged a Connetics Corp. executive with insider trading. According to the SEC, Connetics vice president Alexander Yaroshinsky sold 15,100 shares of Connetics stock shortly after an April 2005 conference call with the FDA. During that call, the agency said it would issue a nonapprovable letter for Connetics' acne treatment Velac (clindamycin/tretinoin) because of potential carcinogenicity issues. Shortly thereafter, Mr. Yaroshinsky also purchased 2,076 "put" contracts, which positioned him to benefit if Connetics' shares fell. When the company made the FDA's views public in June, Connetics' share price fell 27%, and Mr. Yaroshinsky made at least \$680,000, according to an SEC statement. At the SEC's request, a judge issued an order freezing Mr. Yaroshinsky's assets.

### Sunscreen Lawsuits

Two law firms have filed suit against seven sunscreen manufacturers, claiming the companies are making false claims about the products' ability to block harmful sun rays and prevent skin disease, including cancer. Named in the suit are Schering-Plough Corp. (Coppertone), Sun Pharmaceuticals Corp. and Playtex Products Inc. (Banana Boat), Tanning Research Laboratories Inc. (Hawaiian Tropic), Neutrogena Corp. and Johnson & Johnson (Neutrogena), and Chattem Inc. (Bull-Frog). The law firms, which are seeking class action status, say that claims that products protect against UVA rays are false because there is no standard for measuring UVA protection. Sun protective factor (SPF) standards apply only to UVB rays. The suits further allege that the products can't be said to be water-proof because they lose efficacy when immersed in water. "Parents, especially, have been defrauded into believing the false labeling and advertising claims of these products," said Mitchell Twersky, of New York law firm Abraham, Fruchter & Twersky LLP, in a statement. The suits, filed in California Superior Court in Los Angeles, seek "an injunction on the claims, compensa-

tion for consumers and other remedies, including a public education program concerning sun protection paid for by the industry," according to a statement by the other litigating firm, Lerach Coughlin Stoina Geller Rudman & Robbins LLP of Los Angeles. Schering-Plough is still evaluating the lawsuit, said company spokeswoman Denise Foy, who added that the company has disputed similar allegations in the past and that product labels are in compliance with FDA regulations.

### Unwilling to Pay for Quality

Payers and the federal government are prodding providers toward meeting quality benchmarks as the first step to getting paid for delivering better care, but a new poll suggests that Americans might not be willing to personally pay extra for improved quality. A Wall Street Journal/Harris Interactive health care poll found that one-third of 2,123 adults surveyed said they were in favor of having insurers pay more for higher-quality care. This is an 11% drop from 2003, when a similar survey was conducted. In 2006, 54% of those surveyed said they weren't sure whether physicians and hospitals should be paid more by insurers to provide better care; that was a 14% increase in uncertainty from 2003. Just under half of those surveyed said there are fair and reliable ways to measure and compare quality of care. When asked whether they would be willing to pay more out of their own pocket, 57% said it would not be fair for patients to pay more to receive treatment from physicians or hospitals that had been shown to give better care. Similarly, 55% said they would not be willing to pay a higher premium to get access to higher-quality medical groups and hospitals. Around half agreed that the currently used quality-assessment mechanisms are fair, including how often physicians give preventive tests (55%) and how often they meet benchmarks in managing chronic conditions (61%). Forty-one percent said malpractice suits were a fair way to gauge the quality of care given by a physician.

### Smoking Rates Drop

The number of cigarettes sold in the United States in 2005 dropped 4.2% from 2004, the largest 1-year percentage decrease in sales since 1999, figures compiled by the Treasury Department show. "We are pleased to see that the long decline of cigarette consumption is continuing," Cheryl Heaton, Dr.P.H., president of the American Legacy Foundation, said in a statement. "We also know that for the first time in the United States, there are more former smokers than current smokers." The National Association of Attorneys General also applauded the numbers, noting that the drop continues "the unprecedented long-term decline in cigarette smoking that began with the settlement of lawsuits" brought by state attorneys general against the major tobacco companies.

—Alicia Ault