



**OPENING STATEMENT**  
**CHAIRMAN EDOLPHUS TOWNS**  
**COMMITTEE ON OVERSIGHT AND GOVERNMENT**  
**REFORM**

**“Post-Katrina Recovery: Restoring Health Care in the  
New Orleans Region.”**

**December 3<sup>rd</sup>, 2009**

It has been nearly four years since Hurricane Katrina devastated the New Orleans region. Since then, the area has struggled to regain its footing and slowly rebuild its neighborhoods, businesses, and critical services. One area particularly hard hit by the storm was the region’s health care infrastructure. When Katrina flooded the city and surrounding parishes, many important hospitals and outpatient clinics were severely damaged or destroyed.

Before the storm, the low income population of the region often relied on hospital emergency rooms and outpatient clinics, mostly hospital based, as its main source of primary care. Charity Hospital—which was the major public hospital and a source of many of these services particularly for the working poor and uninsured—was flooded and essentially destroyed. It remains shuttered today.

Because this and other critical health care facilities were destroyed, many of the region’s residents struggled to obtain health care after the storm. Those facilities that remained open, particularly those willing to take the uninsured or poor, had limited capacity and significant waiting times. While

eventually some organizations were able to open some clinics, major health care delivery gaps remained for months and even years after Katrina.

In July 2007, the Department of Health and Human Services—with money granted from Congress to restore the Gulf coast region—provided a \$100 million grant to the State of Louisiana.

This funding, called the “Primary Care Access and Stabilization Grant” was designed to restore and expand critical primary care services to the region, without regard to a patient's ability to pay. The grant was also intended to reduce costly reliance on emergency room use for primary care services for patients who were uninsured, underinsured, or covered by Medicaid.

The good news is that an impressive network of health clinics has emerged which are now providing critical health care services. As of June 22, 2009, over \$80 million of the \$100 million Federal grant had been distributed and these clinics are now collectively providing care for over 160,000 individuals in the Katrina-affected region, nearly half of whom are uninsured.

However, because the region does not have a clear plan on when it will begin breaking ground on a replacement for Charity Hospital—and because there are no clear plans on how to financially sustain these clinics—part of the region’s population faces an uncertain future.

I am particularly interested in understanding what needs to be done to ensure that we preserve the critical health services these clinics are currently providing.

In addition, it has now been more than four years since Hurricane Katrina destroyed Charity Hospital. While a temporary facility is providing critical care to the region, we will hear today that this “interim” hospital is reaching capacity. Four years is long enough for a plan for a replacement facility to sit in limbo and I look forward to hearing how and when we can expect a new hospital to be built.

Let me conclude by thanking our witnesses, particularly those who have traveled from the New Orleans region to be with us today. Many of you were in the trenches in the hours and days following the storm and

provided critical care to those who otherwise would have gone without. Your story is an important one and needs to be heard. I applaud your efforts and I am sure all my colleagues remain committed to helping you rebuild the New Orleans region. Today's hearing is one more step toward that end.

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