



Highlights of [GAO-10-273T](#), a testimony before the Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

The greater New Orleans area—Jefferson, Orleans, Plaquemines, and St. Bernard parishes—continues to face challenges in restoring health care services disrupted by Hurricane Katrina which made landfall in August 2005. In 2007, the Department of Health and Human Services (HHS) awarded the \$100 million Primary Care Access and Stabilization Grant (PCASG) to Louisiana to help restore primary care services to the low-income population. Louisiana gave PCASG funds to 25 outpatient provider organizations in the greater New Orleans area. GAO was asked to testify on (1) how PCASG fund recipients used the PCASG funds, (2) how recipients used and benefited from other federal hurricane relief funds, and (3) challenges recipients faced and recipients' plans for sustaining services after PCASG funds are no longer available.

This statement is based on a recent GAO report, *Hurricane Katrina: Federal Grants Have Helped Health Care Organizations Provide Primary Care, but Challenges Remain* ([GAO-09-588](#)), other GAO work, and updated information on services, funding, and sustainability plans, which we shared with HHS officials. For the report, GAO analyzed responses to an October 2008 survey sent to all 25 PCASG fund recipients, to which 23 responded, and analyzed information related to other federal funds received by PCASG fund recipients. GAO also interviewed HHS and Louisiana Department of Health and Hospitals officials and other experts.

View [GAO-10-273T](#) or key components. For more information, contact Cynthia A. Bascetta at (202) 512-7114 or [bascettac@gao.gov](mailto:bascettac@gao.gov).

## HURRICANE KATRINA

### Federal Grants Have Helped Health Care Organizations Provide Primary Care, but Sustaining Services Will Be a Challenge

#### What GAO Found

PCASG fund recipients reported in 2008 that they used PCASG funds to hire or retain health care providers and other staff, add primary care services, and open new sites. For example, 20 of the 23 recipients that responded to the GAO survey reported using PCASG funds to hire health care providers, and 17 reported using PCASG funds to retain health care providers. In addition, most of the recipients reported that they used PCASG funds to add primary care services and to add or renovate sites. Recipients also reported that the grant requirements and funding helped them improve service delivery and expand access to care in underserved neighborhoods. As of September 2009, recipients used PCASG funds to support services for almost 252,000 patients, who had over 1 million interactions with a health care provider.

Other federal hurricane relief funds helped PCASG fund recipients pay staff, purchase equipment, and expand mental health services to help restore primary care. According to data from the Louisiana Department of Health and Hospitals, 11 recipients received HHS Social Services Block Grant (SSBG) supplemental funds designated by Louisiana for primary care, and 2 received SSBG supplemental funds designated by Louisiana specifically for mental health care. The funds designated for primary care were used to pay staff and purchase equipment, and the funds designated for mental health care were used to provide a range of services including crisis intervention and substance abuse prevention and treatment. Most of the PCASG fund recipients benefited from the Professional Workforce Supply Grant incentives. These recipients hired or retained 69 health care providers who received incentives totaling over \$4 million to work in the greater New Orleans area.

PCASG fund recipients face multiple challenges and have various plans for sustainability. Recipients face significant challenges in hiring and retaining staff, as well as in referring patients outside of their organizations, and these challenges have grown since Hurricane Katrina. For example, 20 of 23 recipients that responded to the 2008 GAO survey reported hiring health care providers was a great or moderate challenge, and over three-quarters of these 20 recipients reported that this challenge had grown since Hurricane Katrina. PCASG fund recipients also reported challenges in referring patients outside their organization for mental health, dental, and specialty care services. Although all PCASG fund recipients have completed or planned actions to increase their ability to be sustainable, recipients are concerned about what will happen when PCASG funds are no longer available. Officials of the Louisiana Public Health Institute, which administers the PCASG locally, expect that some recipients might have to close and others could be forced to scale back capacity by as much as 30 or 40 percent. They have suggested strategies to decrease what they estimate would be a \$30 million gap in annual revenues when PCASG funds are no longer available. With the availability of PCASG funds scheduled to end in less than 10 months, preventing disruptions in the delivery of primary care services could depend on quickly identifying and implementing workable sustainability strategies.