



LSU-VA Partnership Advances toward New Orleans Hospital

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BATON ROUGE –Louisiana State University and the United States Department of Veterans Affairs have agreed that there is a compelling case for jointly building a medical center in downtown New Orleans.

Based on the Memorandum of Understanding signed February 23, 2006, by Department of Veterans Affairs Under Secretary of Health, Jonathan Perlin, MD, and LSU System President William Jenkins, the VA and LSU formed a Collaborative Opportunities Study Group (COSG) to develop a roadmap to coordinate development and operation of replacement hospital facilities in New Orleans.

COSG explored models that would be cost effective and would maximize the synergy of operating in close proximity. It was determined that the obstacles are not insurmountable, and that working together can be more cost effective than operating separately.

“The collaborative endeavor has been remarkable in its ambitious spirit, unprecedented cooperation, and intellectual purity,” said LSU System President Dr. William Jenkins. “Maximizing the potential benefits that this collaboration offers will require carefully coordinated timing of planning, construction, and activation.”

The model supports building two hospitals, joined by a “linking corridor.” The link contains services that will be “shared,” meaning that services will be originated and managed by one organization and contracted to the other organization. Some potential areas for sharing explored by the COSG include functions such as the energy plant, dietary, and housekeeping, as well as clinical services such as Radiology, Rehabilitation, and Laboratory.

The report also identifies many other potential areas for collaboration. By carefully analyzing only a sample of the opportunities, over \$400 million dollars could be saved in operating costs over the next 30 years. The actual savings in operating costs will be determined based on more detailed analyses of the identified opportunities, and others, between now and the time the hospitals are open.

The “new” LSU-Medical Center of Louisiana at New Orleans will be constructed 15 feet above sea level and a “defend in place” philosophy will be adopted, providing eight days of power, water, fuel, food and waste retention following a disruption in the region’s infrastructure. While the size of hospital has not been finalized, the estimated cost of a 350 bed, teaching-Level 1 Trauma hospital is \$630 million. As part of the plan:

- LSU seeks to develop flexible space that is convertible into additional hospital beds as needed over time.
- Continue to develop a network of community-based clinics to provide primary care in neighborhoods around the region.

Under the new model, LSU HCSD will continue to provide medical services through contractual relationships with faculty from LSU and Tulane Medical Schools. “The new complex should play a key role in revitalizing South Louisiana through its leadership in health professions education and scientific research,” said Rod West, Chairman of the LSU Board of Supervisors.

The LSU System operates ten public hospitals across Louisiana. The LSU Health Care Services Division is the largest provider of health care in the state, with more than 1.2 million patient visits to 305 outpatient clinics and 46,000 admissions to nine hospitals.