Physician Availability
in Greater New Orleans:
Two Years after Hurricane Katrina

EMBARGOED FOR RELEASE UNTIL:
Monday, Oct. 1, 2007
Health claims show little change
in New Orleans’ physician/population ratio

Summary
Two years after hurricanes Katrina and Rita struck Louisiana, media coverage and anecdotal evidence suggest a chronic healthcare shortage in the four parishes that make up Region 1.

Health claims submitted to Blue Cross and Blue Shield of Louisiana indicate that, in the aggregate, the total number of physicians practicing in the greater New Orleans area per 1,000 residents is near its pre-storm level.

“Three fourths of the population of greater New Orleans is back, according to the best available estimates,” says Blue Cross President and CEO Gery J. Barry. “Paralleling this repopulation trend, our claims data indicate that there are about three fourths of the pre-storm number of physicians now practicing in the region as well.”

**REGION 1: TOTAL POPULATION**

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<thead>
<tr>
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<th>Pre-Katrina</th>
<th>Post-Katrina</th>
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<tbody>
<tr>
<td>Population</td>
<td>1,002,000</td>
<td>767,548</td>
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</table>

**REGION 1: TOTAL PHYSICIAN POPULATION**

<table>
<thead>
<tr>
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<th>Pre-Katrina</th>
<th>Post-Katrina</th>
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<tbody>
<tr>
<td>Physicians</td>
<td>2,422</td>
<td>1,798</td>
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A recurring concern in the Louisiana and national media since August 2005 has been the state of healthcare in the regions affected by hurricanes Katrina and Rita. Especially in Region 1 (Orleans, Jefferson, St. Bernard and Plaquemines parishes), a recurring theme of recent media coverage has been an apparent chronic shortage of healthcare professionals.

Since the storms, Blue Cross and Blue Shield of Louisiana has been tracking its claims records to monitor the availability of primary care physicians and specialists in Region 1.

Blue Cross and Blue Shield of Louisiana analysts regularly map the total number of physicians currently filing claims with the company relative to the same data pre-storm. In addition to Blue Cross network providers, who represent about 90 percent of all providers participating in this region prior to Katrina, this analysis included claims submitted by non-network providers as well. The aim is to determine whether patient/physician ratios are improving or deteriorating, which is an important measure of access to care at the regional level.

Little change in overall density
Population estimates by the Census Bureau, U.S. Postal Service and other authorities indicate that approximately 750,000 people live in Region 1, or 75 percent of the pre-hurricane figure of approximately 1 million.

Blue Cross claims data indicate that the number of primary care physicians who are actively filing claims with the company, 508, is 79 percent of the 641 who were doing so pre-Katrina.

For specialists, the pre-Katrina number was 1,781, and the post-Katrina total is 1,290 – or 72 percent of the pre-hurricane number.
The percentage of primary care physicians and specialists combined is about 74 percent of the pre-hurricane total – a figure that has remained relatively stable since March 2006. The data indicate that Region 1 as a whole has experienced little or no change in the total number of physicians per 1,000 residents. Both pre- and post-Katrina, the density ratio of 2.4 practicing physicians per 1,000 residents is on par with the national average.
The primary care physician ratio: still below national average
Region 1 as a whole also has experienced little change in primary care physician density. Before Hurricane Katrina, there were 0.64 primary care physicians in Region 1 per 1,000 residents. Post-Katrina, this number increased to 0.68 primary care physicians/1,000.

Both pre- and post-hurricane numbers are well below the national average of 1.0 primary care physicians per 1,000 residents – and the U.S. average itself is low compared to the average among other developed countries.

“It should be noted that Louisiana’s primary care physician density has consistently compared poorly to the national average of primary care physicians per 1,000 residents, both before and after the storm,” says Barry.

Slight decline in specialist density
Turning to the specialist population, the data show a slight decline in availability relative to the returning population. Our post-Katrina estimate shows a 3 percent decline for the entire region, from 1.78 specialists/1,000 people pre-Katrina to 1.72 specialists/1,000 post- Katrina.
While the percentage reduction in specialist density since the storms is greater than the percentage reduction in primary care physician density, the availability of specialists remains slightly higher than the national average of 1.40 specialists per 1,000 residents.

Commentary

“While this ‘big picture’ comparison of physician density pre-and post-Katrina is encouraging, access to care can still be an issue,” Barry cautions. “Primary care capacity remains limited, and there are other factors to be considered as well. For example, some of the doctors submitting claims may be spending only a part of their time in the region, or are seeing a number of patients from outside the region. Also, many individuals may not be able to locate the same doctors they saw before the 2005 hurricanes. Finally, long-standing professional relationships that doctors had with other doctors have been disrupted, and this can create problems in finding the right doctors for referring patients,” Barry says.

“This disruption means that patients have to adjust to a changing configuration of providers,” Barry says. “In addition, access to proper healthcare for the uninsured is particularly challenging. The safety net of the charity hospital system collapsed and has only been restored to a limited level. That’s why Blue Cross has been promoting the development of additional safety-net clinics and access by the uninsured to other facilities.”

The issues facing the greater New Orleans healthcare system are complex, but — as indicated by Blue Cross’ claims study — the news is not all bad. Another bright spot has been the stability of private insurance and the employer-sponsored market during and since the hurricanes. The percentage of residents participating in employer-sponsored health plans appears to have increased in Region 1, with some new start-up plans being offered and existing group customers adding more employees and dependents to their rolls.

“From day one, the private insurance market has provided a reliable base of financial support for the healthcare infrastructure that has remained to serve the people in the hurricane-affected areas,” Barry says.

Barry also stresses that — while this white paper cannot pinpoint all the gaps in healthcare facing the New Orleans community, such as inpatient and outpatient mental health services and the ongoing nursing shortage — it nevertheless provides a useful perspective on the broader picture of healthcare capacity in the area.

“Part of that picture is that we have a solid base of healthcare capacity upon which to build, and it should be our first order of business from a public policy standpoint to continue doing what we can financially to stabilize it,” Barry says.

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Notes

*Primary care physician* is defined as any physician practicing in the fields of internal medicine, general practice, family practice or pediatrics.

*Specialist* is defined as any physician practicing in obstetrics and gynecology and any specialty other than those named above, and also excluding behavioral health providers, psychologists, social workers, counselors, therapists, podiatrists, chiropractors and dentists.

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About Blue Cross

Blue Cross and Blue Shield of Louisiana is Louisiana-owned and operated and serves more than 1 million customers statewide. Marking its 73rd anniversary this year, the company is an independent licensee of the Blue Cross and Blue Shield Association. It is a tax-paying mutual company, owned by its policyholders.

Headquartered in Baton Rouge, Blue Cross and Blue Shield of Louisiana also has district offices in Alexandria, Houma, Lafayette, Lake Charles, Monroe, New Orleans and Shreveport. The company’s subsidiaries include HMO Louisiana, Inc. and Southern National Life Insurance Company, Inc. For more information, visit the company’s website at www.bcbsla.com.

About Gery Barry

Gery Barry is a seasoned business and healthcare leader who brings more than 30 years of insurance and healthcare management experience to his post as President and CEO for Blue Cross and Blue Shield of Louisiana.

Since his arrival in Baton Rouge in November of 2004, Barry has directed the company’s success in growing its customer base by more than 100,000 health plan members while increasing its solvency reserves by more than $150 million. As a result, Blue Cross is now the health benefits manager for one of every four Louisianians.

In 2005, Barry personally crafted and directed Blue Cross’ exceptional emergency-support programs for its customers, employees and business partners, helping them manage operationally and financially through the ravages of Katrina and Rita. In the hurricanes’ aftermath, Barry has provided recognized industry leadership in formulating and supporting collaborative responses to the unique challenges still faced by the affected communities in terms of healthcare supply and access.

Barry is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He has degrees in advanced mathematics from the University of Notre Dame and Rutgers University. Barry served in a leadership role for the Louisiana Recovery Authority’s Public Health and Health Care Task Force, and he is currently active in the Coalition of Leaders for Louisiana Healthcare and the Louisiana Health Care Quality Forum.

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1 Provider information in this report is based on internal claims data from Blue Cross and Blue Shield of Louisiana. Claims records analyzed are from the periods 1/1/05 to 8/31/05 (pre-Katrina) and 1/1/07 through 8/31/07 (post-Katrina).

2 Population figures are based on data from the Greater New Orleans Community Data Center, census.gov and U.S. Postal Service estimates of returned population quoted in the Brookings Institute’s Katrina Index March 2007. These figures represent the same approximate time periods – population data as of 7/1/05 for pre-Katrina and 4/1/07 (the latest estimate available) for post-Katrina. For the purpose of calculating the graphs in this report, these estimates were rounded, and 750,000 was used as the post-Katrina population total.

3 National averages taken from OECD Health Data 2007.