



Agency hesitates to fund hospital without N.O. plan

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The state's hurricane recovery agency is considering giving LSU about a fourth of the \$300 million it wants to build a new university hospital and trauma center in New Orleans.

The Louisiana Recovery Authority is scheduled to vote today on a proposal to provide \$74 million upfront to buy land and plan for the development — part of a joint venture with the U.S. Department of Veterans Affairs.

LRA would condition release of the remaining \$226 million on LSU completing a business plan that includes how the new venture fits in with health-care restructuring proposed for the New Orleans area.

“We want to move forward, but we want to move forward prudently,” said John Landry, chairman of the LRA task force that has been studying the LSU project.

Landry said the VA wants LSU to buy the land soon.

“The rest of it we have a little time to work with the consultants on,” Landry said.

Also Wednesday, Public Affairs Research Council president Jim Brandt weighed in on the issue, urging the LRA to recommend that the Legislature only go along with the \$70 million down payment.

LSU Health Care Services Division chief Don Smithburg declined comment on the LRA recommendation. Spokesman Marvin McGraw said Smithburg would wait until LSU officials go before the LRA today to make their case.

LSU System spokesman Charles Zewe said officials there were taking the same position.

LSU project consultants presented a preliminary financial plan to the LSU Board of Supervisors last week that indicated the need for a 427-bed hospital and trauma center and medical clinic complex that would cost \$950 million.

LRA wants to know how the hospital would fit in with a New Orleans area health-care restructuring plan now undergoing federal review.

That plan would move toward a universal health insurance model that emphasizes preventive and primary care, disease management and people having medical homes.

The LSU hospital project was not addressed as the restructuring plan was being developed.

LSU has contended the project did not need to be analyzed as a part of that effort and that its work would fit the new health-care model