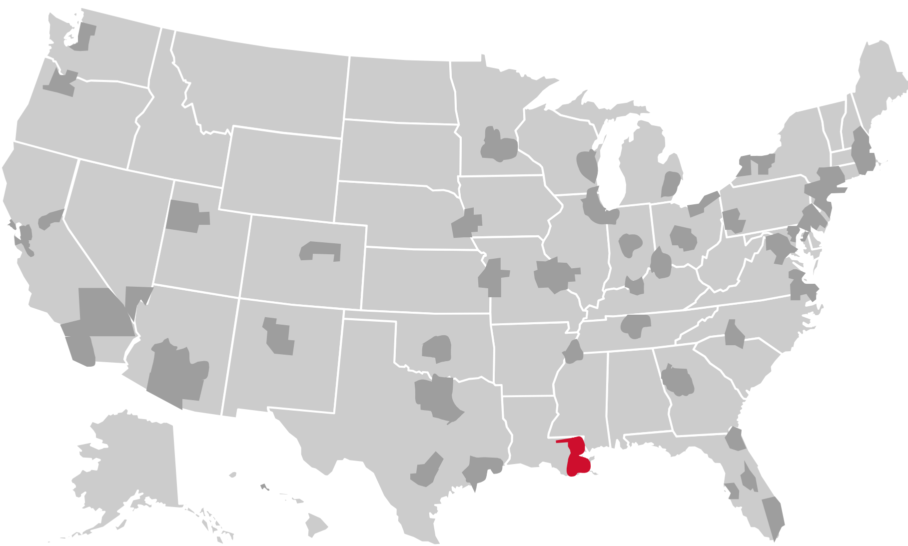
Market Profile

Published by Health Care Industry Committee

New Orleans, LA



Parishes Covered:

Parish	State
Jefferson	LA
Orleans	LA
Plaquemines	LA
St. Bernard	LA
St. Charles	LA
St. James	LA
St. John the Baptist	LA
St. Tammany	LA
Tangipahoa	LA
Washington	LA

Total Population:

- 1,470,527

Market Summary

- **Overview**: Louisiana expanded Medicaid in 2016, and enrollment has been significant in the years since. More than 560,000 people are expected to be enrolled by June 2020. Some credit Medicaid expansion with helping to keep rural hospitals open, and stimulating Louisiana's economy.
- **Health Systems**: Two large, non-profit health systems—Ochsner Health and LCMC Health—control over 50% of the market share. With accelerating population health-focused payment reform, providers are increasingly implementing evidence-based practices to improve quality and efficiency of care.
- **Insurers**: Blue Cross and Blue Shield of Louisiana dominates the New Orleans health plan market and the state, accounting for more than three-quarters of total enrollment locally. Rising adoption of narrow-network plans could lead to less-generous pharmacy benefits for employees. Managed Medicaid plans are gaining a competitive edge as their market share increases alongside the state's massive Medicaid expansion population.
- **Physicians**: New Orleans' physician landscape is moderately consolidated. Hospital employment is growing, and hospitals in Jefferson and St. Tammany parishes have been adding new physicians at a steady pace.
- **Employers**: New Orleans employers are turning to narrow networks and high-deductible health plans in an effort to shift health care costs to employees, even though the market's premium rate increases have been relatively low. Employers are placing more restrictions on coverage, such as requiring employees to meet health goals or be moved into a plan with higher premiums and out-of-pocket costs.
- **Population**: The New Orleans market is marked by significant health disparities across racial and ethnic lines and is dominated by poor population health management efforts, especially with regard to drug abuse and obesity.

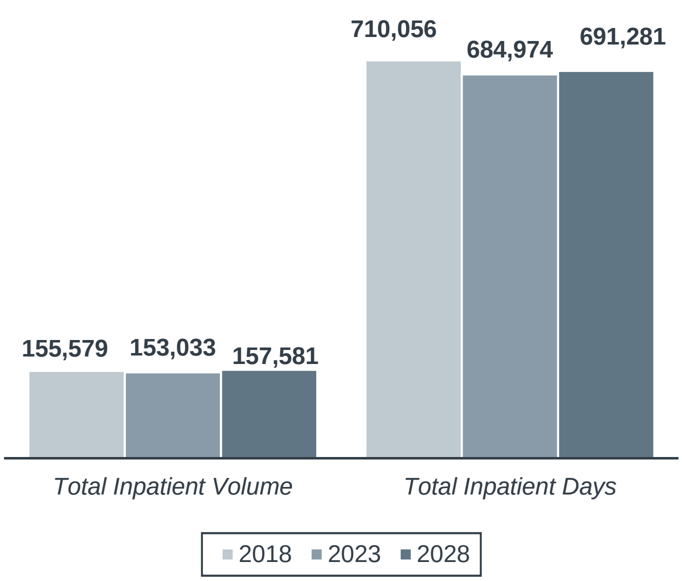
Sources: Deslatte M, "Louisiana's Medicaid Expansion Reaches 500K, Still Growing", US News, https://www.usnews.com/news/best-states/louisiana/articles/2019-02-08/louisianas-medicaid-expansion-reaches-500k-still-growing; "Medicaid expansion keeps rural hospitals open," Louisiana Budget Project, https://www.labudget.org/2018/10/medicaid-expansion-keeps-rural-hospitals-open/; Advisory Board research and analysis.

Market Glimpse

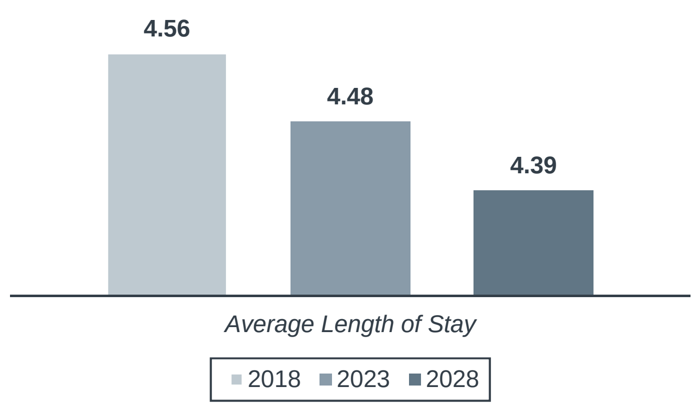
Key Figures

Category	Figure
Acute-Care Hospitals	25
Acute-Care Beds	3,898
Number of Clinicians[1]	11,868
Households Count	581,238
Median Age	37.2
Median Household Income	$50,214
Per Capita Income	$28,779
Patients Who Visited a Doctor in the Past Year	75.3%
Unemployment Rate	4.9%
Uninsured Rate	Low

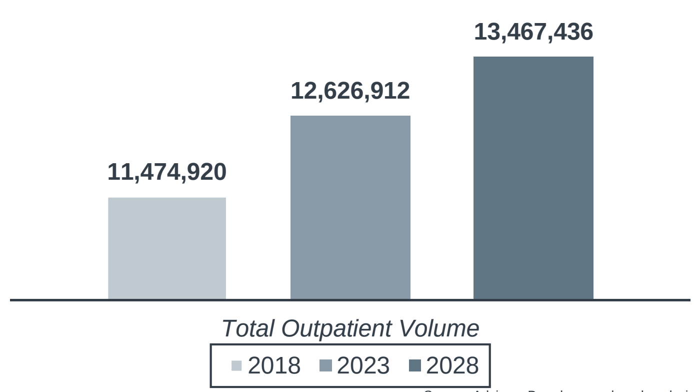
Inpatient Volume and Days



Average Length of Stay



Outpatient Volumes

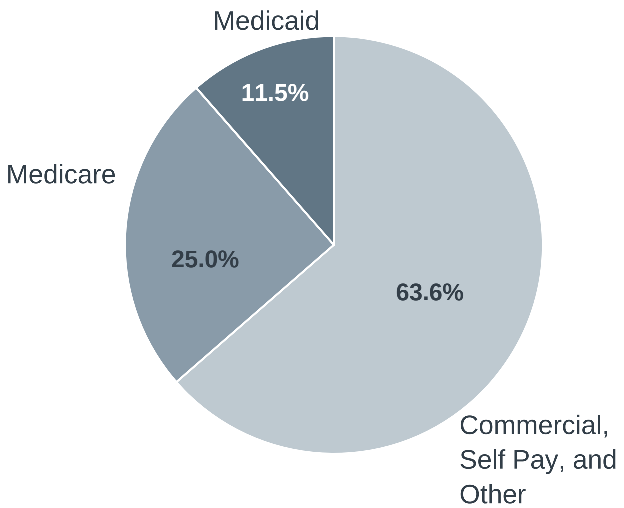


Source: Advisory Board research and analysis.

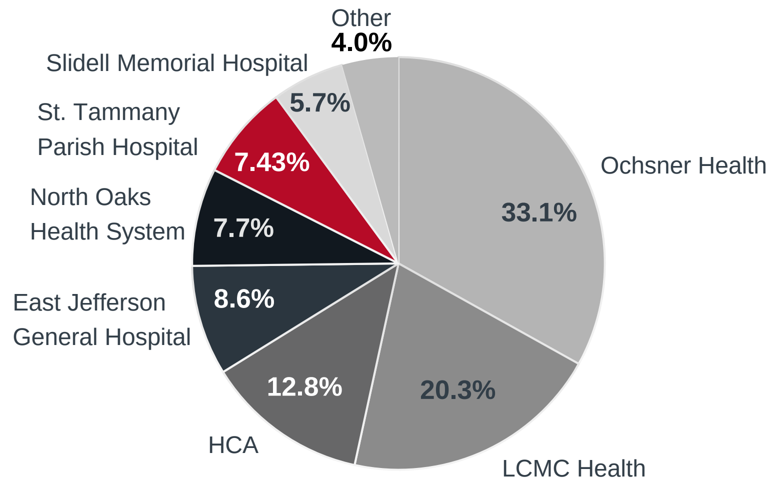
1) Includes primary care physicians, specialists, nurses, advanced practitioners, etc. For a breakdown of clinicians by type, specialty, or sub-specialty, you can use our Clinician Supply Profiler.

Overview of Payers, Inpatient Players, Major Ailments

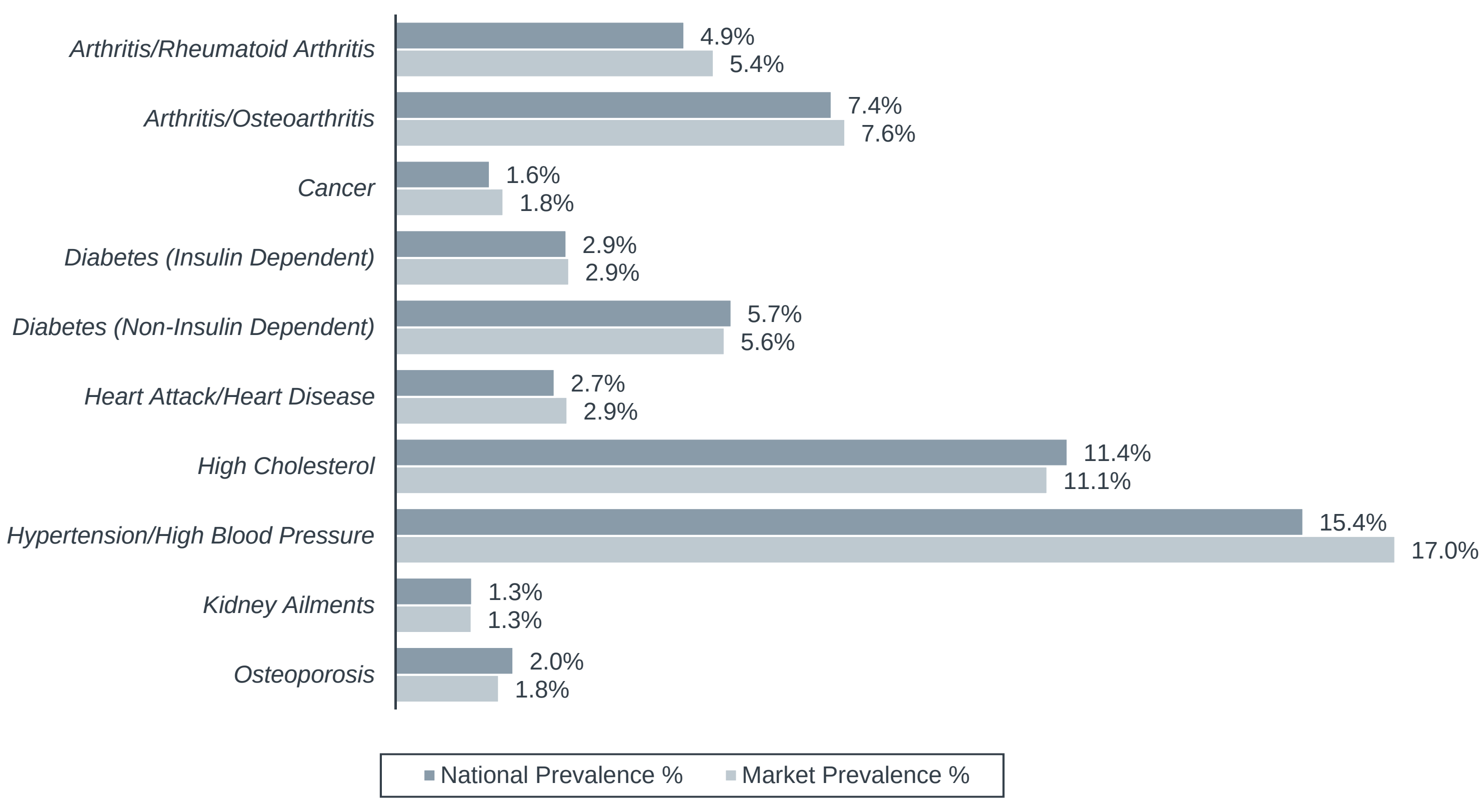
Discharge Mix



Inpatient Medicare Market Share Breakdown



Prevalence of Ailments



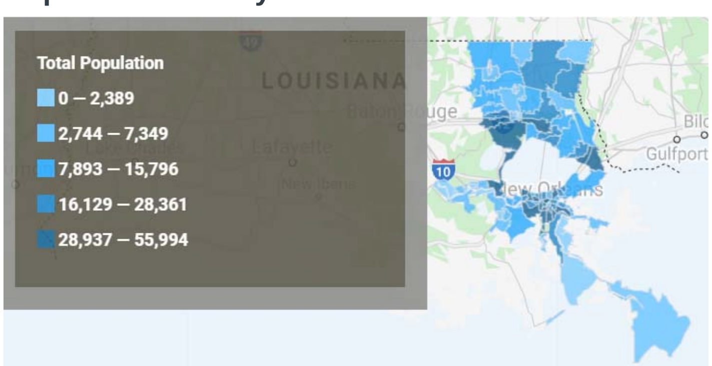
Source: Advisory Board research and analysis.

Population Stratification

Segmentation by Age

Age Group	% of Population in 2018
0-9	12.6
10-19	12.3
20-29	13.5
30-39	14.3
40-49	12.1
50-59	13.4
60-69	11.9
70-79	6.5
80+	3.3

Population Density



Outpatient Sites of Care Volume Projections

Site of Care	2018 Volume	2028 Volume
Hospital Outpatient Department	1,192,196	1,353,395
Emergency Department	547,687	680,815
Ambulatory Surgery	1,286,240	1,525,920
Physician Office/Clinic	5,406,658	6,309,111
Endoscopy	202,981	241,424
Oncology Center	552,179	642,180
Sleep Studies	103,905	123,042
Independent Diagnostic Testing Facility	485,577	545,960
Physical Therapy	616,486	754,740
Lab	1,061,101	1,262,970
Other	19,910	27,879

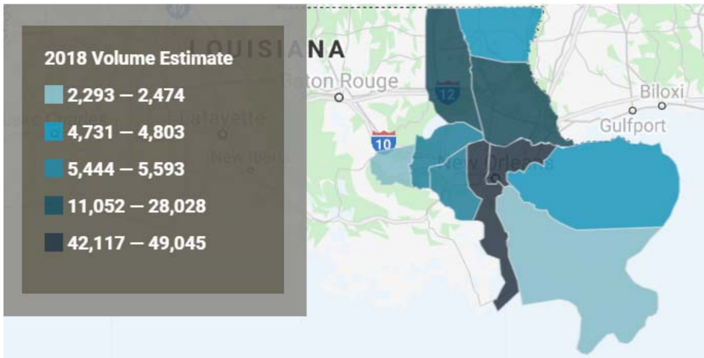
Segmentation by Gender

Gender	Population Count in 2018	Projected Population Count in 2023
Male	712,279	758,251
Female	732,171	779,931

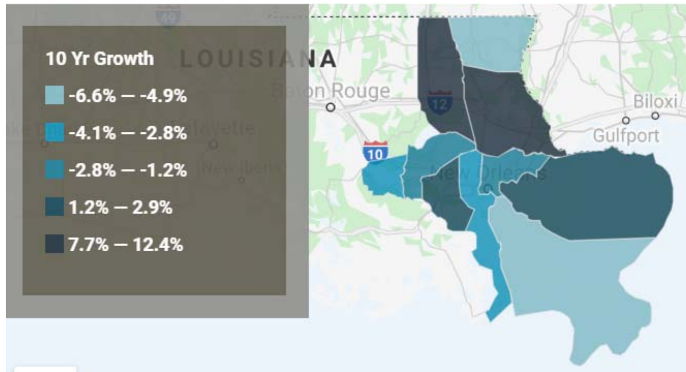
Source: Advisory Board research and analysis.

Inpatient Volume Projections

2018 Inpatient Volumes



2028 Inpatient Volumes (10-Year Growth)

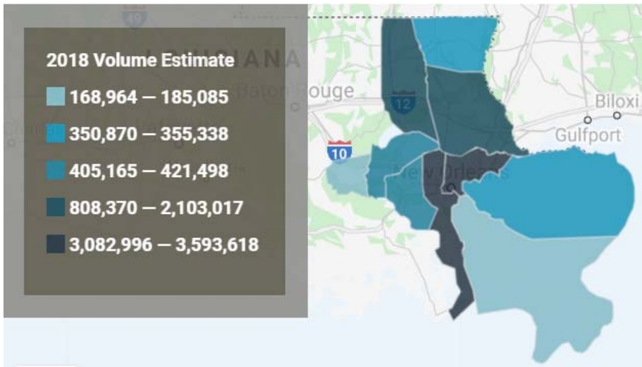


Service Line Volume Projections

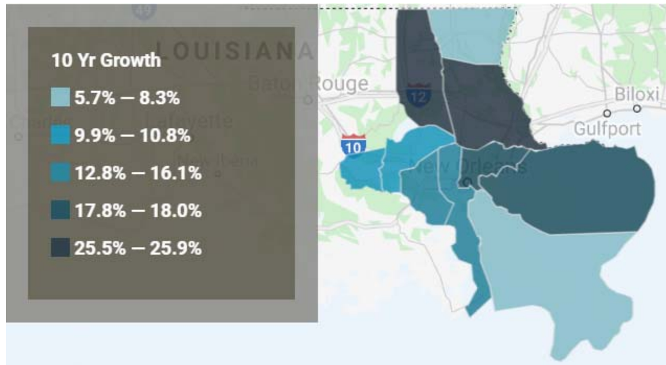
Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiac Services	15,839	13,856	14,333	-12.5%	-9.5%
+ ENT	1,596	1,472	1,493	-7.8%	-6.5%
+ General Medicine	54,899	56,629	59,662	3.2%	8.7%
+ General Surgery	10,639	10,453	10,682	-1.7%	0.4%
+ Gynecology	1,703	1,554	1,551	-8.7%	-8.9%
+ Invalid	343	274	259	-20.2%	-24.3%
+ Neonatology	18,594	18,553	18,722	-0.2%	0.7%
+ Neurology	6,407	6,369	6,734	-0.6%	5.1%
+ Neurosurgery	1,083	1,206	1,306	11.4%	20.5%
+ Obstetrics	20,349	19,898	19,781	-2.2%	-2.8%
+ Oncology	4,395	4,285	4,378	-2.5%	-0.4%
+ Ophthalmology	180	159	154	-11.5%	-14.4%
+ Orthopedics	9,825	9,593	9,863	-2.4%	0.4%
+ Other Trauma	1,273	1,306	1,395	2.6%	9.6%
+ Rehabilitation (Acute	1,650	851	671	-48.4%	-59.3%
+ Spine	3,608	3,369	3,328	-6.6%	-7.8%
+ Thoracic Surgery	848	847	841	-0.1%	-0.8%
+ Urology	1,989	2,032	2,119	2.2%	6.6%
+ Vascular Services	359	326	309	-9.2%	-13.9%

Outpatient Volume Projections

2018 Outpatient Volumes



2026 Outpatient Volumes (10-Year Growth)

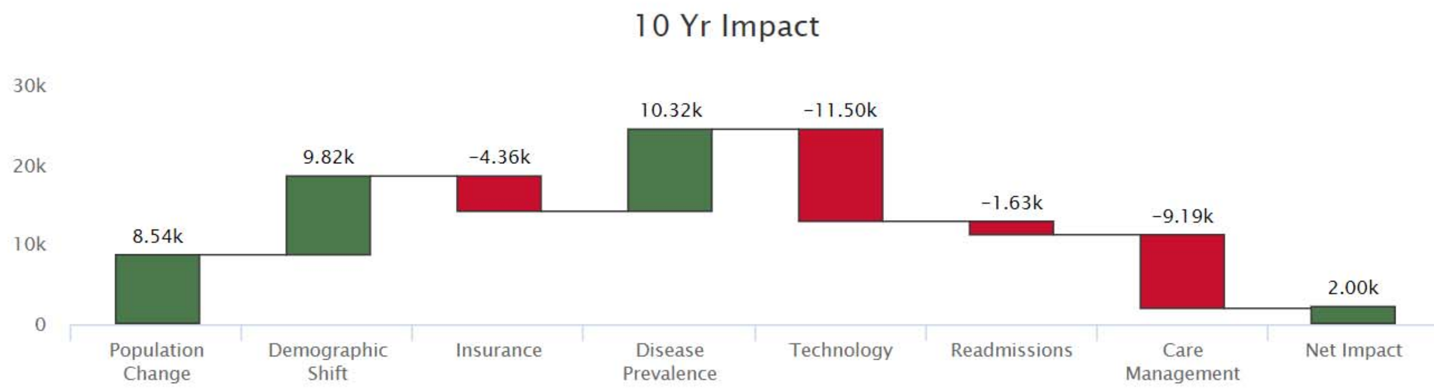


Service Line Volume Projections

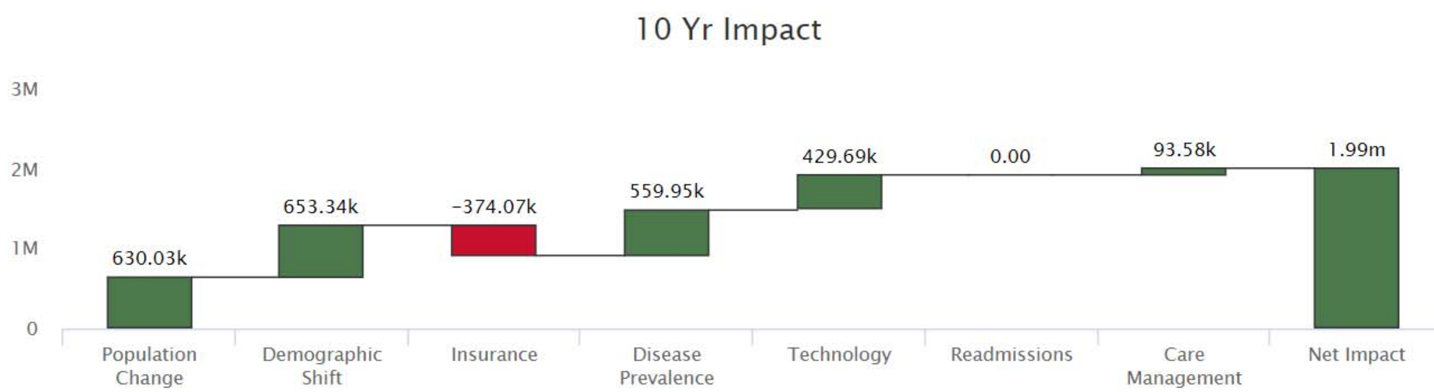
Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiology	389,618	427,574	468,681	^ 9.7%	^ 20.3%
+ Cosmetic Procedures	32,460	38,031	39,045	^ 17.2%	^ 20.3%
+ Dermatology	229,690	260,410	284,476	^ 13.4%	^ 23.9%
+ Endocrinology	3,298	4,753	5,214	^ 44.1%	^ 58.1%
+ ENT	134,675	158,162	181,586	^ 17.4%	^ 34.8%
+ Evaluation and	4,243,789	4,507,354	4,753,496	^ 6.2%	^ 12.0%
+ Gastroenterology	113,191	134,082	147,347	^ 18.5%	^ 30.2%
+ General Surgery	32,797	37,294	40,252	^ 13.7%	^ 22.7%
+ Gynecology	50,122	51,398	51,507	^ 2.5%	^ 2.8%
+ Lab	1,619,992	1,804,112	1,928,743	^ 11.4%	^ 19.1%
+ Miscellaneous Services	817,572	942,530	1,008,770	^ 15.3%	^ 23.4%
+ Nephrology	34,013	38,809	43,026	^ 14.1%	^ 26.5%
+ Neurology	64,261	78,703	87,479	^ 22.5%	^ 36.1%
+ Neurosurgery	3,632	4,375	4,985	^ 20.5%	^ 37.2%
+ Obstetrics	22,537	22,042	21,839	v -2.2%	v -3.1%
+ Oncology	8,346	8,609	8,792	^ 3.2%	^ 5.4%
+ Ophthalmology	346,493	407,019	449,096	^ 17.5%	^ 29.6%
+ Orthopedics	166,722	207,426	227,973	^ 24.4%	^ 36.7%
+ Pain Management	42,434	51,005	56,357	^ 20.2%	^ 32.8%
+ Physical	1,008,536	1,139,280	1,220,298	^ 13.0%	^ 21.0%
+ Podiatry	62,674	77,890	87,660	^ 24.3%	^ 39.9%
+ Psychiatry	532,884	582,338	597,615	^ 9.3%	^ 12.1%
+ Pulmonology	111,700	130,758	144,124	^ 17.1%	^ 29.0%
+ Radiology	1,239,146	1,318,537	1,393,452	^ 6.4%	^ 12.5%
+ Spine	5,430	6,791	7,462	^ 25.1%	^ 37.4%
+ Thoracic Surgery	1,047	1,361	1,563	^ 30.0%	^ 49.4%
+ Trauma	43,450	45,152	46,692	^ 3.9%	^ 7.5%
+ Urology	62,783	79,659	90,400	^ 26.9%	^ 44.0%
+ Vascular	51,627	61,458	69,506	^ 19.0%	^ 34.6%

Volume Growth Drivers

2018-2028, Factors Influencing Inpatient Procedure Growth



2018-2028, Factors Influencing Outpatient Procedure Growth



- **Population Change:** Considers changes in total population of the market
- **Demographic Shift:** Considers changes in major demographic factors, such as age and gender
- **Insurance:** Considers insurance market factors, such as coverage expansion, increased cost-sharing, and payer scrutiny of medical necessity
- **Disease Prevalence:** Considers the growing population of chronic and multi-morbid patients
- **Technology:** Considers the role technology plays in changing demand and shifting site of care
- **Readmissions:** Considers the ongoing focus on driving down avoidable readmissions
- **Care Management:** Considers investments in care management designed to reduce inpatient utilization

Source: Advisory Board research and analysis.

This Advisory Board resource is part of a series of Market Profiles offered to health care industry members through the Health Care Industry Committee. We have used information and data from Advisory Board's Market Scenario Planner, Clinician Supply Profiler, and Demographic Profiler alongside US government databases including CMS Medicare Cost Reports. Please note that CMS Medicare Cost Reports data are submitted by individual facilities and are thus prone to some degree of inaccuracy due to inconsistent reporting practices and user error. The specific fiscal year reporting period for each provider varies slightly, but all data represent a single-year period for each provider.

These profiles are aimed to help suppliers and service firms better understand provider customers and patients in various markets.

Advisory Board

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