COMMUNITY MEDICAL CENTER HEALTHCARE SYSTEM

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Scranton, Pennsylvania 18510

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November 30, 1999

Marc P. Volavka
PHC4 Executive Director
Pennsylvania Health Care Cost Containment Council
Suite 400, 225 Market Street
Harrisburg, PA 17101

Dear Mr. Volavka:

Thank you for the opportunity to respond to the 1998 Hospital Performance Report. Community Medical Center recognizes the importance and value of HC4 and supports the intent of the council in collecting, analyzing, and publishing cost and outcome data.

Community Medical Center has a mortality rate significantly greater than expected in DRG 174. We would like to take this opportunity to explain this variance. Of the 10 mortality cases, 8 had a DNR (Do Not Resuscitate) advance directive documented in the patients record. Six patients were over 83 years old and three of the patients under 83 years old also had terminal diseases (e.g. cancer or cirrhosis)

While our medical staff has always taken an active leadership role to deliver quality care and services in a cost efficient manner, the patient remains our primary concern. Thus, our length of stay and inpatient utilization is based on patient need and may be higher than the state average.

Although hospital itemized charges are required by regulation, payment is not based on charges or length of stay. Payment is actually dependent on predetermined fixed prices with third-party payors – Medicare, Medicaid, HMO's and other insurance companies. The hospital's length of stay is based on the needs of patients even though a longer length of stay does not result in additional payment.

We continue to be challenged to lower our costs in response to government cutbacks while continuously improving the efficiencies of our clinical operations to meet and exceed patient expectation.

Again, thank you for the opportunity to respond to the HC4 report.

Respectfully,

C. Richard Hartman, M.D.
President and CEO