



1800 Mulberry Street
Scranton, Pennsylvania 18510
570 969-8000

July 6, 2010

Joe Martin
Executive Director
Pennsylvania Health Care Cost Containment Council

RE: PHC4 Cardiac Surgery Report

Dear Mr. Martin:

Once again PHC4 has done an outstanding job in promoting transparency and quality in healthcare across Pennsylvania with its annual cardiac surgery report. Our Health System uses this information to analyze and compare our performance, improve our processes of care and motivate us to reach the highest levels of service. The cardiac surgery report is undoubtedly an important contribution to the health of the Commonwealth.

Given the recent emphasis on healthcare value, spurred in part by the discussions of reform, perhaps it is time for PHC4 to move forward and use the information compiled in the cardiac surgery report to focus on value. In an effort to be as rigorous and fair-minded as possible, PHC4 presents its data with statistical comparisons to the statewide mean for each outcome reported (mortality, length of stay, readmissions, average Medicare reimbursement). With sound risk adjustment methodology, heart centers can see their observed to expected ratio for each of these outcomes, but there is no attempt by PHC4 to rank the programs or to indicate where the best health care value might be found. Given PHC4's expertise in managing and analyzing these types of data, wouldn't it be propitious to create a value analysis?

For example, a larger group of data, perhaps outcomes over 3-5 years would allow more robust statistical analysis, even for the lower volume centers. A composite score, which includes all of the afore mentioned outcomes plus hospital acquired infections (a quality measure which PCH4 brought to the forefront) would give us a better measure of which heart programs truly excel. Finally, one cannot discuss value without looking at cost. Since CMS payment data is the only verifiable, transparently reported cost information available to PHC4, it would be natural to look at those patients covered by Medicare and Medicaid.

Once again, we applaud the efforts of PHC4 to improve the quality and reduce the cost of heart surgery in Pennsylvania. We encourage PHC4 to carry on and more forward, with a specific look at value. Using its large reservoir of data, superb analytic skills, reliable risk adjustment

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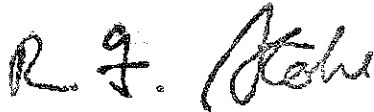
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methodology, and unique gathering of payment information, PCH4 may be alone in its ability to assess healthcare value, particularly as it relates to open-heart surgery.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barbara Bossi'.

Barbara Bossi, RN, MHA, FACHE
Interim President & CEO
Community Medical Center Healthcare System

A handwritten signature in black ink, appearing to read 'R. F. Stahl'.

Russell F. Stahl, MD, FACS
Chief, Cardiothoracic Surgery
Community Medical Center Healthcare System