



NASON HOSPITAL

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December 9, 2002

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

RE: Hospital Performance Report (2001)

Dear Mr. Volavka:

We received the 2001 Hospital Performance Report prepared by the Pennsylvania Health Care Cost Containment Council. We appreciate the opportunity to review and comment on this data.

The report indicates that our risk-adjusted mortality, length of stay and readmission rates were not statistically different than expected for most of the DRGs reported, with the exception of pneumonia and congestive heart failure. Pneumonia was reported as a higher than expected mortality. We recently conducted a focused study on pneumonia and found that our antibiotic selection and other aspects of pneumonia care met national standards. We did find that many of our pneumonia patients are nursing home and other elderly patients who have chosen not to receive aggressive treatment modalities. Congestive heart failure was reported as having a higher than expected number of short lengths of stay, yet our readmission rate is not, so we believe we are effectively managing this diagnosis.

Overall, the PHC4 2001 performance report demonstrates that Nason Hospital has good outcomes. The information from this report will be utilized in our continuous quality improvement efforts.

Sincerely,



Garrett W. Hoover
President/CEO



Darron Locke, M.D.
Chairman, Medical Department