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Lancaster General Health, a public foundation owned by Lancaster's public and worth a billion dollars, is negotiating a merger with the hospital of the University of Pennsylvania.

They won't tell LNP, let alone NewsLanc, what is being discussed, nor seek public input. The deal will be done by the time we learn about it.

Please read the articles below and then discuss with friends and leaders.

# Is LGH / U of P hospital merger a scam?

LNP article headed "Most health system mergers don't meet expectations — Will Lancaster General Health and U. Penn be different?" goes on to state:

*"It's possible Lancaster General Health's absorption into the University of Pennsylvania Health System would, in the words of the organizations' Oct. 28 press announcement, 'improve access to cost-effective, high quality care.'*

*"If it does, however, it will be an exception to the general rule, industry experts said."*

The heading sure hits the nail on the head.

Here is what Ezekial J. Emanuel, MD, writes about such mergers in **"Reinventing American Health Care":**

*"Those various rates explain the current merger mania among hospitals. Within the last few years, larger hospitals have been buying up neighboring hospitals to form large hospital systems. A primary rationale is to increase the hospitals' bargaining power with the commercial insurers in order to be able to raise their rates. If many of the hospitals in a geographic region are art of a single hospital system, then the insurer must include them in a network and the hospital system can demand high rates. This consolidation of hospitals also allow one hospital with high rates to get those same rates applied to the other hospitals in it system; however, this raises hospital prices with no change in actual practices or quality."*

In short, the merger allows Lancaster General Health to charge more for it services, although its charges already are far above average due to its quasi-monopolistic position…hence in part its huge profitability.

The higher rates the health insurers have to pay LGH will be passed through to the public in the form of still higher health insurance premiums.

The impact is largely masked from the public because employers often package health insurance as part of compensation packages.

But studies show that over a relatively short period of time these payments actually are offset by wages being lower than they would otherwise.

This time LNP has it right. The merger is a flimflam. No wonder LNP and Penn refuse to discuss what they are negotiating. Once again the publics being misled and duped by a Lancaster unrepresentative establishment, only interested in its well being, not the public's.

Let's demand transparency even if it means picketing the hospital and campus and imploring the State Attorney General to investigate and prevent.

# Hospitals sock it to the poor who are without health care coverage

The following are from a chart and text in **"Reinventing American Health Care"** by Ezekiel J. Emanuel, MD, perhaps the most prominent of the authors of the Affordable Care Act, a/k/a "Obama Care."

**Charge Master Rate:** The list price determined by the hospital for billable items…

**Medicare Rate:** The rate at which Medicare reimburses hospitals and physicians for various services… The rate is typically much lower than the charge mast rate and it an vary from provider to provider.

**Commercial Insurer and Blues Rate:** The price that is ultimately paid by a private insurer to hospitals and physicians… Rates for private insurers are highly than the Medicare rate and they vary widely among insurers.

**Medicaid Rate:** …This is typically the lowest rate of reimbursement for providers.

**Actual cost:** … Nobody really knows the actual cost of delivering most health care services.

The "Charge Master Rate" is akin to the list price. *"Typically, only a few people pay list prices, such as Arab sheiks flying in for a service and are asked to pay cash. Tragically, however, they are often collected from the uninsured, who have no leverage to negotiate lower prices."*