



Report #2: Reasons for LGH's Market Dominance

NewsLanc borrowed the services of Douglas McVay, Director of Research with an affiliated non-profit organization, to determine what circumstances have enabled Lancaster General Hospital (LGH) to earn the second highest profits in the State, amounting to \$136 million in fiscal year 2007. Findings are not meant to detract from the efficiency and competence of LGH and the high quality service they provide.

The following is not a definitive list of LGH's marketing advantages, but only those supported by current data on hand.

1) LGH has a very large -- 34,000 square feet -- emergency department, the biggest in the area. Visits have jumped from 56,287 in 2003 to 93,489 in 2007.

2) LGH has the county's only Level II trauma center and Level III neonatal intensive care unit. More serious emergency cases are likely to be routed directly to LGH rather than one of the other hospitals in the area. Inpatient admissions originating in LGH's emergency department rose from 11,425 in 2002 to 16,853 in 2007. In 2002, 36% of admissions originated in the emergency department; by 2007 that had grown to 42%, and it seems to still be trending upward.

3) LGH had been ranked quite highly in annual US News & World Report hospital surveys in some specialties in years past although rankings have slipped recently.

4) LGH markets itself as a "Nursing Magnet Hospital" and claims on its website, "Magnet recognition is a coveted designation to recognize

excellence in nursing care." According to the Center for Nursing Advocacy "Some critics, including the California Nurses Association and the Massachusetts Nurses Association, have argued that the Magnet program is primarily a hospital promotion tool"

5) LGH's affiliate, Lancaster General Medical Group (LGMG), is a "multi-specialty network of physicians and mid-level providers." Established in 1995, LGMG has "105 physicians and 20 mid-level providers distributed among 16 practices at multiple sites." Beyond being LGH profit centers themselves, physicians and providers in the Group are also likely to use LGH facilities.

6) LGH established one of the nation's first residency programs specializing in Family Medicine. This program helps LGH build referral relationships with young physicians who often stay in the Lancaster area -- whether or not they work directly for LGH or an LGMG practice.

7) LGH facilities have been redecorated in a tasteful manner. (The entryway on James Streets presents a five star ambience.) As an observer opined "It is like staying at a nice hotel. Even the food isn't too bad."

Due to LGH's growing market dominance, some observers expect both Regional Hospital and Heart of Lancaster to cease being full service hospitals and for a merged LGH / Ephrata Hospital to have a monopoly. Greater transparency and public input will influence LGH, a not for profit corporation, to use its remarkable profitability in the best interests of the community.

EDITORIAL: Marriott Façade Design is to Detract Attention

NewsLanc recently received the following message from a prominent designer. “The [Marriott Hotel] tower, as it is being finished, is looking pretty ugly no depth or texture on the surface. Its only texture will be the open or close of the room drapes, and whether the rooms are lit or not.”

We respectfully differ because we surmise the purpose of the bland facade is to mask the tower and

to focus attention on the preserved Watt & Shand facade.

Another observation: Unlike many hotels, the Marriott’s structure is not supported by walls between every other guest room. Therefore, if necessary, the facility could be converted to luxury condominium apartments at a future date, albeit at considerable cost.

NewsLanc Publisher Meets with SD of L Superintendent

The primary subject was how to improve the district’s athletic program and team performances. At *NewsLanc*’s suggestion, the discussion between Robert Field and Pedro Rivera, Superintendent of the

School District of Lancaster, was “off the record.” Field described the meeting as constructive and cordial.

WATCHDOG

SUNDAY NEWS: The central article on the front page of the August 3rd edition is headed “Tom Armstrong believes sex offenders have become the ‘lepers of our society.’ He believes men like the three he invited into his Marietta home can change. His words can’t convince those protesting out front. Wednesday, he faces a zoning board. UNDER SEIGE.” Below the heading is a photo of a

contemplative Armstrong.

WATCHDOG: Articles like this makes us proud of the *Sunday News*. Carefully and haltingly, it manages to maintain a large degree of independence and integrity. We hope such praise does not get the editors in trouble.

LETTER: CC Naming Rights

I would like to purchase the naming rights for the convention center--I have the perfect name: The Lancaster Albatross. Will they take a check?

LETTER: Hospital Competition is Good

...While it is certainly a plus for Lancaster to have a premier hospital of the caliber of Lancaster General, it is not a good thing to drive the other Lancaster hospitals out of business... Having a competitor keeps an institution striving to do its

best...

If your expert is correct, and the Heart of Lancaster hospitals do cease operations, Lancaster will be the poorer for it – even if LGH is all the richer.

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