



## WSJ Article Substantiates *NewsLanc's* Findings

On June 28, the *Wall Street Journal* published an article entitled "Opting Out – 'Old Order' Mennonites and Amish Who Shun Insurance Face Rising Bills. Should Hospitals Cut Them a Break?"

The *WSJ* article echoes one of *NewsLanc's* findings in its extensive ongoing research into the causes for Lancaster General Hospital's exceptional profitability.

A couple of weeks ago the *Intell* published a front page puff piece stating "Though the large size of [LGH's] facilities alone would seem to guarantee big revenues and profits, LGH is exceptionally efficient inside those facilities, the council report shows." *NewsLanc's* Watchdog responded "Even the dullest Introductory Economics student, let alone a reporter and editor worth half their salt, would recognize that a major reason for such unusual profits might be non-competitive market conditions that permit higher prices and thus higher profits than would be normal."

*NewsLanc's* "editor's note" to an article in last week's newsletter entitled HEALTH: The High Cost of Medical Insurance states: "According to a report from the State, hospitals only collect a fraction of their 'charges' from insurance companies and MediCare. But Ralph's percentage payment is based upon the bloated 'charges.' *NewsLanc* will report more on this in a forthcoming series analyzing the reasons for Lancaster General Hospital's extraordinary profitability."

It is *NewsLanc's* understanding that LGH accepts payments averaging about 44% of its "charges" from insurance companies as payment in full and an even lesser percentage as payment from MediCare. Yet in calculating co-pay responsibilities for those insured or billing individuals not insured, LGH often insists on payment based on the full

"charges."

The *WSJ* article states in part: "...Complicating matters is that many of these [Amish] farmers won't buy health insurance: They believe it is the religious duty of their communities to provide for one another when sick. They don't pay Social Security taxes and reject Medicaid or Medicare benefits, as well as farm subsidies."

Later the article observes "Dr. [D. Holmes] Morton has called on the two local hospitals to offer half-price discounts to uninsured Amish and Mennonites, calling hospital bills inflated. He notes that the government and private insurers negotiate reduced rates. The hospitals, both of which are profitable, say they can't make special provisions based on religious beliefs or anything else."

"Lancaster General's chief executive Thomas Beeman calls the discount request unrealistic and unfair. 'You're really then putting the burden on you and everyone else,' he says."

Somewhat later in the article, the *WSJ* states "Lancaster General has increased its discount for uninsured patients to 25% from 15%. Mr. Beeman says uninsured patients now receive the same discount that commercial insurers do, though not as much as the government does." Yet *NewsLanc's* review of State statistics would suggest that the discount should be about 56%, not 25%.

*NewsLanc* hastens to add that its research is not complete. It awaits responses to questions already being asked of LGH and anticipates posing future questions prior to publication of its research of all the factors contributing the LGH's extraordinary profitability and whether some of the profit is derived unfairly at the expense of the Lancaster public

## Commissioners Opine on Home Rule

As part of efforts to involve other areas of the county in county government, the Commissioners held a public meeting in West Lampeter Township Tuesday night.

A brief but lively debate ensued when one of the few residents in attendance asked the Commissioners whether the township/school board model of government - with an elected board of commissioners and an appointed manager - could also work at the County level.

Democratic Commissioner Craig Lehman was the first to respond: "I guess I'm just of the opinion that if you are truly going to separate the executive

and the legislative branches, I prefer an elected executive and an elected legislature because I believe that public accountability [for] elected officials is important."

Commissioner Scott Martin, a Republican, was quick to respond that County governments were not designed with the separation of powers that exists at the federal level. He argued that establishing a legislative branch of County government would invite an expansion of the role, functions, and cost of government. "I know we can do the job and the job is being done just fine with three people," he said.

## LETTER: Newspapers Failure to Report *WSJ* Article Appalling

I find it appalling that the three newspapers did not publish one word on the *Wall Street Journal's* lambasting article on Lancaster General Hospital's policy of overbilling the Plain Community of Lancaster County.

When a well-respected and nationally-recognized newspaper like the *Wall Street Journal* investigates one of the local five "untouchable" entities of this county (Lancaster General Hospital, F & M College, Fulton Bank, the High Group and the Lancaster Newspapers) [and] yet the local Steinman Family-run local newspapers hide this account by not publishing, then this is clearly the definition or irresponsible journalism and dereliction of journalistic duties...

The *Wall Street Journal* article should open

eyes to all Lancaster County as the abuse of the Plain Community by Lancaster General Hospital can have tremendous effects on all of us. The Plain Community are a forgiving people, but in a county where tourism ranks first in our local economy, do we really want Lancaster General ostracizing the cash-paying Plain Community for their healthcare needs?

As for the Plain Community members, I would hope that Lancaster General Hospital will do right by you financially. But please remember that the Plain Community is home to many, many sound business minds and sometime soon, the healthcare needs of the Plain Community will seek [others who will provide them] with similar quality care, but at a reasonable expense.

## Watchdog: LANCASTER POST

Kudos! Its June 27 front page article "No 'Helping Hand' from Highmark: Insurance giant denies money for parents' preferred procedure" describes how "Highmark would cover the surgery cost of \$150-200,000" but would "only pay \$4,907.18 of the \$15,600 total billed" for prosthetics that give the same appearance and avoid complicated

major surgery.

WATCHDOG: It is encouraging to see a *Lancaster Post* article that seems well researched and is consistent with the front page headline and graphics.

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