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JAMES W. BARNER
PRESIDENT/CHIEF EXECUTIVE OFFICER

R. SAMUEL MAGEE, MD PRESIDENT, MEDICAL STAFF



April 22, 2002

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

Dear Mr. Volavka,

The Altoona Hospital and its Medical Staff have and continue to recognize and judiciously use the limited healthcare resources. We value the contribution of the Pennsylvania Healthcare Cost Containment Council in helping us objectively measure our own performance.

In measuring performance in CABG Surgery, the ultimate standard of performance is mortality. The PHC4 2000 CABG Report shows that, collectively and individually, the Altoona Hospital CT surgeons all performed within the Expected Mortality Range during the year 2000. This applies to both the In-Hospital and 30 Day Mortality Rates. The PHC4 system of analysis assures that these rates are not influenced by selection.

These Altoona Hospital Mortality Rates were achieved with Lengths of Stay approximately a day less than the Expected Average Days. The Altoona Hospital's Average Charges of \$39,411 is well below the statewide average. Both of these statistics demonstrate a commitment to efficient community health care resources. Conserving resources expended in each case allow us to serve more members of our community. Most importantly, this has been achieved without sacrificing patient mortality.

The studies do demonstrate 7 Day and 30 Day Readmission Rates that are at or slightly above the Expected Upper Limits. We believe this increased rate reflects a commitment of Altoona Hospital surgeons to promptly and decisively deal with all setbacks as soon as they arise. Coronary Artery Bypass Grafting Surgery is not just major surgery. In the best of circumstances, it is a major emotional event. Readmission is the most effective means of minimizing both the physical and emotional impact of such setbacks.

In summary, we believe the Altoona Hospital CABG Mortality Rates demonstrate high quality care. The Length of Stay and Average Charges reflect conscientious use of community resources and assure maximum availability of health care in our community. The borderline high readmission rates show our commitment to assure our patients and their families that complications are dealt with as promptly and effectively as possible.

Sincerely,

Robert F. Barnes, M.D. Medical Director

Cc: James W. Barner