October 12, 2006

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

Dear Mr. Volavka:

We have reviewed the PHC4 data analysis report for hospital-acquired infections for calendar year 2005 and appreciate the opportunity to review and comment on this data.

The report indicates that Nason Hospital has lower rates of hospital acquired infections in all categories compared to the state-wide average.

Urinary Tract: Device related urinary tract infections is the only type of infection that was somewhat higher than our peer group. Upon thorough review, we believe the statistical difference related to device related urinary tract infections may be related to the low number of catheter days maintained at our facility.

- 12 incidents of device related urinary tract infections
- all catheters were necessary and maintained properly
- most patients had comorbidities; diabetes, obesity, cardiac disease, chronic renal failure, urinary obstruction, and other non-hospital acquired infections

Pneumonia: Only one patient with hospital acquired pneumonia for 2005. This patient was incorrectly entered into the PHC4 report as it was not a device related pneumonia. This patient should be excluded from the report.

The average charge for each infection type was significantly lower than average when compared to state-wide data and our peer group.

Overall, the PHC4 report for hospital acquired infections demonstrates that Nason Hospital has quality patient outcomes. The information from this report will be utilized in our continuous quality improvement efforts.

Sincere

Parreit W. Hoover, MA, MHA, CHE

President/CEO

GWH/mb

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