

MERCY HOSPITAL, SCRANTON MERCY HOSPITAL, WILKES-BARRE MERCY HEALTH CARE CENTER MERCY MEALTH CARE CENTER MERCY MANAGED CARE, INC. MERCY MED - CARE, INC. MERCY HOSPICE E. DONALD KOTCHICK, M.D. VICE PRESIDENT MEDICAL APPAIRS

MERCY HOSPITAL 740 JEFFENSOL AVOINE SCRANTON, PENNSYLVANIA 18501

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December 10, 2002

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

Dear. Mr. Volavka,

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As you are aware Mercy Health Partners, Scranton was not compliant for the year 2001 in reporting our data to PHC4 as required. There were a number of reasons for the noncompliance all of which have been addressed with your department. Mercy Health Partners acknowledges the importance of PHC4 to our community and is pleased to report that we are completely compliant with the 2002 data for publication in 2003

Mercy Health Partners have contracted with your department to complete a supplemental report on a grouping of DRG's in order to provide a snap shot of data to both PHC4 and the community. That data will be made available for comparison to PHC4's Hospital Performance Report through Mercy Health Partners upon request.

We thank your department for their cooperation in the settlement of this matter.

Sincerely, Auto dia mo

E. Donald Kotchick, M.D. Vice President for Medical Affairs

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