



September 21, 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 received the PHC4's FFY 2005 Hospital Performance Report and appreciate the opportunity to review and comment on this data.

The report indicates our risk-adjusted mortality rates were not statistically different than expected for the DRGs reported, with the exception of septicemia, stroke non-hemorrhagic, and hip fracture – surgical repair. We have reviewed all the mortality cases and have identified the following patient characteristics which account for this statistical difference as follows:

SEPTICEMIA

- 2 of the 3 mortalities were admitted with a do-not-resuscitate status.
- All 3 patients had other comorbidities complicating their response to treatment, including chronic renal, lung, heart and/or neurological disorders.
- Patient's ages were 87, 79, and 71.

STROKE – NON-HEMORRHAGIC

- 3 of the 5 mortalities were admitted with a do-not-resuscitate status.
- 3 of the patients had history of a previous CABG
- All 5 patients had other comorbidities complicating their treatment, including chronic renal, lung, heart and/or neurological disorders.
- Patient's ages were 82, 79, 77, 72, and 69.

HIP FRACTURE – SURGICAL REPAIR

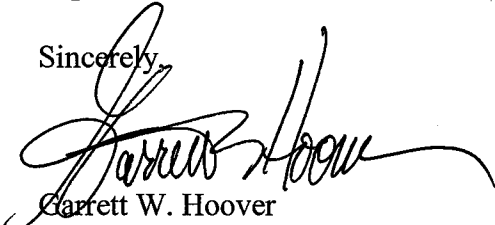
- 1 of the 2 mortalities were admitted with a do-not-resuscitate status.
- Both patients had other comorbidities complicating their treatment, including chronic renal, lung, heart and/or neurological disorders.
- Patient's ages were 98 and 97.

The report also indicates that our length of stay and readmissions for all of the DRGs reported was comparable to or better than that experienced in the region and state.

Mr. Marc P. Volavka
September 21, 2006
Page 2

Overall, the PHC4's FFY 2005 Hospital Performance Report demonstrates that Nason Hospital has quality patient outcomes. The information from this report will be utilized in our continuous quality improvement efforts.

Sincerely,



Garrett W. Hoover
President/CEO

GWH/vmb

cc: Keith D. Eicher, D.O., President, Medical Staff
Debra G. McGraw, RN, MHSA, Vice-President Patient Care Services
Deborah Miller, RN, Director, Risk Manager/Patient Safety/Quality Management
Ginny Berkheimer, RHIT, CPMSM, Director, Health Information Management