
Answers to your questions from Good Samaritan Hospital

Good Samaritan Hospital and Steve Loveless, our interim president and CEO, made a commitment to this community: to share the impact of adding a second hospital in Kearney. This ad, second in a series, answers some of the tough questions on your mind. Thank you for the trust you place in us!

Q: How have other communities like Kearney been affected by the establishment of a physician-owned hospital?

A: Lots of research has been conducted on this very topic.

National organizations – the American Hospital Association, the Office of the Inspector General, and the Centers for Medicare and Medicaid Services – have conducted studies on the impact of physician-owned hospitals in communities similar to Kearney located in Kansas, Oklahoma, Nebraska and South Dakota.

In these communities – communities where there was already a strong community hospital in place – research proved that physician-owned hospitals:

- *“Cherry-pick” the most profitable patients by avoiding low-income populations and treating a disproportionate amount of profitable services,*
- *Damage the financial health of community hospitals, leading to service cut-backs,*
- *Decrease patient access to trauma care,*
- *Increase the costs of healthcare services, and*
- *Are less-equipped to handle an emergency.*

Studies that outline these effects can be found on our Web site at www.gshs.org by clicking on the “Preserving Our Region’s Healthcare” button.

Q: Is it true that Good Samaritan just doesn't want to compete?

A: Absolutely not. Like any successful healthcare organization, Good Samaritan Hospital competes every day. We compete for employees, for patients, for high patient satisfaction scores, for new doctors and for services.

Physicians throughout Kearney own and operate surgery centers, cardiac catheterization labs, diagnostic imaging and endoscopy centers, and many other outpatient services in direct competition with Good Samaritan Hospital. We know that for our organization to thrive and grow, we must compete.

But given the research on the impact of physician-owned, for-profit hospitals, we don't feel this type of competition is in the best interests of our community. Duplicating services, especially those that are not at or over capacity, has proven to increase healthcare costs. And potentially jeopardizing access to top-notch trauma care for a large portion of our state's residents doesn't serve anyone well.

Make no mistake about it, we are eager to see Kearney grow economically, just not at a detriment to healthcare in our region.

Q: Is Kearney big enough for two hospitals?

A: No. In fact, most communities—aside from metropolitan areas—are not big enough to support two hospitals. This is true for communities even larger than Kearney. Years ago, many cities in Nebraska, like Grand Island, North Platte and Norfolk, tried to be home to more than one hospital. Today, that simply isn't the case as these communities realized that one hospital was better than two.

Good Samaritan's service area covers all of central Nebraska and northern Kansas encompassing 350,000 residents—an area the size of the state of Indiana. And 50 percent of Good Samaritan's patients come from outside of Buffalo County. Many, many people are receiving healthcare right here in Kearney, and yet Good Samaritan has not reached full capacity in the services and equipment we have today. And our planned expansion will bring our current offerings to the cutting edge and will give residents access to a state-of-the art medical facility.

When healthcare services are duplicated in a town the size of Kearney, national research has proven that competition has a much different impact than it does in retail businesses. For example, when a grocery store comes to town to compete with another grocery store, consumers benefit from price competition. But when a hospital comes to town to provide duplicate services, the cost to provide services or purchase a piece of equipment doesn't change; it just gets distributed to fewer patients, costing each patient more. In addition, removing highly profitable services from Good Samaritan—like cardiology—has the potential to negatively impact our ability to fund less profitable services like trauma care.

So instead of driving down prices or generating more choices for patients, another hospital could stretch resources too thin and challenge our medical community's ability to provide affordable, quality care to patients.

Ask Steve

www.gshs.org

Got questions? Get answers by visiting our Web site, www.gshs.org, and clicking the “Preserving Kearney's Medical Community” button. Just leave your questions with “Ask Steve” and he'll address the most frequently asked.

† CATHOLIC HEALTH INITIATIVES

Good Samaritan Hospital

Kearney, Nebraska

www.gshs.org