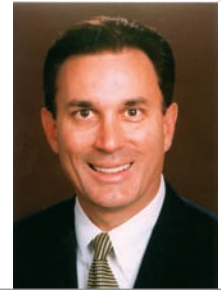




FOR HEALTHCARE'S FUTURE, LOOK LOCALLY

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We are, I believe, at the precipice of profound change in healthcare in America. As I look around, I see huge budget deficits nationally, unbalanced trade, the number of under and uninsured growing, the shortage of physicians and other professionals growing, and for the first time, business which is generally conservative, asking for the government to solve their healthcare problem of growing costs. With a lame duck President, elections looming, and rhetoric flying, both Democrats and Republicans are likely to seize healthcare as a convenient scapegoat.

Currently, healthcare spending is at 16% of the Gross Domestic Product and threatens to rise to 20% by 2015 or sooner. One must look under these numbers, though, to understand that this is partly because of the explosion of new technologies, and the fact that as people live longer they require more healthcare services. Add to this our country's failure to get its arms around care for the poor, which forces the poor to choose expensive entry points (e.g. the Emergency Department), and impels health systems to shift costs to healthcare plans that can pay. In real dollar terms physicians are worse off than a decade ago, and hospitals which long delayed plant improvements are being forced to pay millions now for delayed projects left over from the 1990s.

Unfortunately, although people's real healthcare experience usually takes place at the interface with a physician or hospital, most of the healthcare profits are being enjoyed by drug manufacturers, insurance companies, and high tech manufacturers. Not that they don't deserve profits, but remember that except for insurers, they distribute their goods worldwide and often cost-shift to the United States since other countries often cap healthcare costs.

Democracy is wonderful, but also wonderfully slow. Combine that with a quick draw mentality during election years, and crazy things can happen. Although I believe we all might agree that healthcare reform is necessary, and that deeper cuts should not be made without fundamental restructuring, we certainly will not agree on the form that restructuring

should take. I am writing this obviously from a biased perspective. Lancaster General and its physician partners represent, for me, the ideal healthcare delivery system.

What do I mean by that? I am a strong believer in the philosophical notion of subsidiarity. That means that decisions should be made at the lowest level possible in society; first within family, next within a community, and so on. I believe this community has the competence and wherewithal to make important healthcare decisions for itself, without government intrusion or interruption.

Since a local health system board is made up of community trustees who are stewards of a community resource, and many of them are company owners or leaders who pay the healthcare bills, they are particularly well suited to provide leadership. As a not-for-profit board, they hold the assets in trust for the community, overseeing their deployment for the good of the community. It is an important role with heavy responsibility, carried out with no pay and much work. Unlike Congress, non-profit healthcare system trustees receive care at the hospitals they steward, live in the communities the hospitals serve, and receive direct feedback from family, friends, and community about quality, service, and safety. To me, this then is the ideal health delivery system made up of trustees, physicians, and other healthcare professionals who serve their community, pay the bills, work hard, and plan for the future. If they succeed, all succeed; if they fail, we all fail.

This does not mean there is no role for government. Funding expensive research and education, and setting standards, are important government responsibilities. After all, the "people" established government and have given it the privilege to levy certain taxes and make certain rules, not the other way around. So it is my hope that as our governmental leaders look for models of healthcare delivery to emulate, they won't look at national models across the globe, but will look at the uniquely successful home grown American voluntary hospital model that Ben Franklin and Benjamin Rush founded in Philadelphia in 1751.