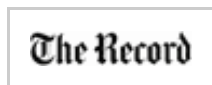


'WE MUST PRESERVE THE INTEGRITY OF HOSPITALS'



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'WE MUST PRESERVE THE INTEGRITY OF HOSPITALS'

By JEFFREY S. MOLL

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NOW that the smoke is clearing from the firestorm initiated by Blue Cross and Blue Shield of New Jersey with its announcement of a "preferred provider network" of hospitals, what do we know?

Blue Cross and Blue Shield of New Jersey, as we knew it, no longer exists. It is just another health insurance company

Businesses and individuals can now shop around for the insurance company that suits their needs and pocketbook, much the way we do for auto and life insurance. They can choose from a menu that includes traditional indemnity insurance, managed care programs with select hospital networks, and managed health care with provisos that allow freedom of choice.

The most puzzling aspect of the Blue Cross announcement is the criteria it used in selecting the preferred provider network. And by the way, preferred by whom? Most of our patients and physicians are here because they prefer Beth Israel. In any case, excellence, quality care, cost-effectiveness, and service to the community appear not to have been among the considerations, otherwise Passaic Beth Israel and other quality hospitals would have been included in the network.

It would seem Blue Cross was more concerned about price than availability of services. How else can you explain that in the

Passaic-Clifton area, where Beth Israel alone has been approved by the state Health Department and the American College of Surgeons to provide oncology services, Blue Cross made no provision for the delivery of such cancer treatment. When asked about this, Blue Cross officials offered a vague reference to "being able to handle it." This suggests that politics may have been involved here -- a suggestion I'm sure that would bring a response of "sour grapes" from Blue Cross.

The statement by John Petillo, Blue Cross president, that the hospitals not selected for the network wanted a 30 to 40 percent price increase (and two wanted a 100 percent increase) was totally erroneous. We did not ask for such a raise. Neither did many other hospitals excluded from the network.

Subscribers retaining Blue Cross will still be able to use such non-network hospitals as Passaic Beth Israel. If there are additional costs, these may be absorbed by the hospital. But if our costs are less, as is likely, will Blue Cross pass any savings back to the subscribers?

Having had time now to reflect upon our exclusion from Blue Cross' managed care network, I cannot let stand the impression that we were left out because we lacked quality, or that we wanted unreasonable price increases. That is simply not true.

As for quality, anyone knowledgeable about the health-care community, will vouch for our excellence. In fact, we were recently cited by the Joint Commission on Accreditation of Healthcare Organizations for the quality, breadth, and diversity of services provided to our patients. This in a year when already high commission standards were toughened.

As for demanding price increases out of line with other hospitals, Beth Israel's active pursuit of cost containment, regionalization, state-of-the-art technology, and professional expertise, have made it one of the most cost-effective hospitals in the state -- a well-known fact that obviates the need for further response.

We prefer to take the high road, but we will not be silent about the machinations of area hospitals to keep us out of the network by offering

Blue Cross a two-tiered pricing index -- one if Passaic Beth Israel was included and a less expensive one if we weren't.

This we consider reprehensible. We would never have employed such cut-throat tactics. But then, our focus is on quality health care, not empire building that requires the "get ahead at all costs" philosophy of big business.

Where have ethics gone? What of quality and compassion? Have values and ethics become old-fashioned concepts to be replaced by the mindless "healthspeak" of health-care competitors willing to sacrifice quality care for a share of the market?

That will not do for us. Passaic Beth Israel has a long tradition of quality service to its community. We intend never to lose sight of that tradition, but we are pragmatic enough to know the importance of keeping costs down.

However, when something as important as quality care is at stake, we will face down the tide of hypocrisy and hype that pervades segments of the health-care establishment, and do what we must to preserve the integrity of our hospital. But we will do it with forthrightness and honesty because that's what we are about.

Jeffrey S. Moll is president and chief executive officer of Passaic Beth Israel Hospital.

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