Nightingale's Healthcare News

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inside

The Beautification of Healthcare

Why Hospitals Are Getting Into the Spa Business

by Lisa Jaffe Hubbell

Think of hospitals and you think of sick people. But many hospitals are working to change their image, and the focus on wellness is leading to facilities that include places called the Oasis Spa, The Springs, and Beyond Spa. While they often emphasize the medical aspects of their programs – massage therapy, for instance – and its use in the treatment of diseases like cancer, most also offer facials, waxing, and manicures.

It's a trend that continues to grow, says Eric Light, President of the International Medical Spa Association and of the Strawberry Hill Group, a Cincinnati-based consultancy specializing in spa and wellness development for hospitals and healthcare organizations. "No one knows how many of these there are," he says. "But there are more and more of

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Massachusetts Two Years Later

Does Pioneering State Healthcare Reform Plan Work?

by Steve Raphael

Only two years old, Massachusetts's pioneering healthcare reform program may be on a path to becoming a victim of its success. Enrollment has soared well beyond projections, straining the program's budget next year and raising questions of affordability.

The state's healthcare reform plan is not universal care, although providing every state resident with access to healthcare is a goal. However, state officials are quickly learning that it is difficult to make the program both accessible and sustainable if costs are not controlled.

"It all comes down to how you are going to pay for it," said John McDonough, Executive Director of Healthcare for All, a Massachusetts consumer advocacy group, during a Senate hearing in May. Appearing at the same hearing, Marie-Grace Turner, President of Alexandria,

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Hospitals Going for the Green

Environmental Investments Can Be Smart Business

by Lisa Jaffe Hubbell

Every April, the media jumps on the Earth Day bandwagon and does stories about how to be better to Mother Earth. But the tipping point has come, says Anna Gilmore Hall, RN, Executive Director of Healthcare Without Harm – a global coalition of healthcare organizations looking to transform the industry so that it is "ecologically sustainable and no longer a source of harm to people." Hall says that healthcare has to become green or be left behind; and there are financial, safety, and good corporate citizenship reasons to do so. "We used to have to pound on the door to get people to listen to us," she says. "Now, we are overwhelmed with opportunities to talk to and educate people in healthcare."

Healthcare Without Harm was created following an EPA report about medical waste

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them every year."

Not all are successful, says Light. The best – from Kurotel in Brazil to Elliot Hospital's Spa Within – have well-thought-out rationalizations and business plans for their operations. "The reasons to do this are many," he says. "It can be about differentiation, about employee satisfaction, or about implementing alternative and complementary medicine programs." But for every spa that does well, there is probably one that hasn't thought things through. Light mentions Mercy Healthplex in Cincinnati, which built a fitness center for its wellness programs and wasn't successful, in part because what the hospital wanted and what customers wanted weren't aligned.

Location can also be a factor. At The Oasis Spa at Banner Desert Medical Center in Tempe, AZ, the spa opened in 2005 next to the hospital. Spa manager Julie Kesteloot says that foot traffic just wasn't good in that spot. They have since downsized to one room within the hospital. While they don't have as much business with a single treatment room as they did with five in the previous locations, the therapists are busier.

Even if every hospital in the country opened a spa, they couldn't all offer the same kind of program, Light says. Each will have to respond to its own local drivers. At Clifton Springs Hospital, one of the nurses – a breast cancer survivor – approached the CEO about services she thought other cancer patients could use. They now have The Springs, overseen by a naturopath and offering acupuncture, healing touch therapy, massage, and also traditional spa services like pedicures.

For some high-end markets, hospitals may have to compete with overseas medical tourism programs. "Patients see these stories on television about the hotel-type care that they get in India and want that at home, too."

In most cases, though, Light says hospitals and clinics will emphasize the wellness aspects of their programs. Those that are successful have several things:

1. Support from the top. If you can't get your administration on board, it won't fly, he says. Kesteloot agrees, saying that they have to not just approve a program, but be willing to give it time to grow and succeed.

2. Support from the medical staff. You can't offer services that compete against your own doctors, says Light. If you want to offer Botox treatments, you better make sure that the dermatologists and plastic surgeons on staff are okay with it. In addition, they have to be comfortable with nonallopathic medicine. "You have to get your physicians to see beyond their Western medical training." If you can't get their support, you can't be successful.

3. Do your research. There are plenty of programs you can look at for inspiration. Among those that Light thinks are good are the Alliance Institute for Integrative Health in Cincinnati, the Cooper Clinic in Dallas, Hackensack's Beyond Spa, The Greenbrier Clinic, and MD Anderson's Place of Wellness. "Look for places that combine alternative and complementary therapies into a medically-based program," he says. Kesteloot says the Scottsdale Healthcare Essential Touch Wellness Center is another good place to look.

4. Take your time. You might think a recession is a bad time to consider such a program, but Light says that, if you do it right, it will take about a year from conception and planning to opening your doors. By then the economy will have turned around. Sure, you could hire a massage therapist right now, but then you have to compete with every massage therapist between the customer's home and the hospital. Why would they come to the hospital just for a massage?

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VA-based Galen Institute, said, "I think Massachusetts really faces its biggest [challenges] in trying to make this coverage both more available and more affordable for those who are not enrolled in subsidized plans."

The program's cost and affordability aren't dissuading health industry leaders from embracing the law as a model for national reform. "It is an innovative and unique program that sets it apart from other efforts," says Debra Draper, Associate Director for the Center for Studying Health System Change. "The responsibility ultimately rests on the individual to buy healthcare."

"The Massachusetts initiative could be considered our best-case scenario for national reform," said Helen Darling, President of Washington D.C.-based National Business Group on Health (NBGH), which represents 300 businesses in all industry sectors, including 63 Fortune 500 companies

Massachusetts Governor Deval Patrick demurred, telling the Associated Press, "I don't think anybody is prepared to say that what we have done here in Massachusetts is necessarily the formula for the rest of the country or for national reform, but at least we are trying."

The Massachusetts program went into effect in April 2006. The program requires that virtually every individual over the age of 18 obtain health insurance or face tax penalties. Anyone deemed able to afford health insurance, but refusing to buy it, could face the annual loss of a $912 personal tax exemption, or $76 per month. The fine was raised from $219 last year. Businesses with 10 or more full-time employees, offering their workers a cafeteria plan of benefits, face no annual penalties. Businesses that don't offer coverage are fined $295 per employee annually.

Money collected from the fines is deposited into a fund administered by the Commonwealth Health Insurance Connector Authority, a quasi-public authority with a 10-member board that administers one health plan for the poor and one for the working uninsured. Insurance is offered through Commonwealth Care, which covers the lowest income and most vulnerable adults with free or subsidized coverage. Commonwealth Choice is a program of unsubsidized coverage, designed for individuals in need of health insurance whose employers don't offer insurance. It offers six health plans and negotiates prices and benefits. Excluded from coverage is 20 percent of the population already covered by Medicaid.

Massachusetts has enrolled 340,000 formerly uninsured residents, or about 10 percent of the adult population, mostly uninsured adults. At least 263,000 of the newly insured are in free or subsidized plans, according to state figures.

The state budget for the program is $869 million in fiscal 2009. But with more enrollees than expected, the budget could easily swell to $1.1 billion, resulting in a $231 million shortfall. And this is before the state factors in the cost of a generous prescription drug benefit that kicks in next year.

John Kingsdale, Executive Director of the Connector Authority said the cost per enrollee in Commonwealth Care is actually below estimations, but the large number of enrollees is breaking the budget. He also spoke at the Senate hearing in May.

Massachusetts lawmakers are weighing options to cover the pending shortfall, including a dollar-a-pack hike in the state's cigarette tax, increasing the sales tax, and revisiting existing insurance benefits, which some consider excessive. "You do not change the financing of 16-percent of your [budget] and do it overnight," Kingsdale cautioned.

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Research Report

Who's Who in Roche Holding Ltd. and Ventana Medical Systems, Inc.

by Francoise C. Arsenault

Roche Holding Ltd., headquartered in Basel, Switzerland, operates in two segments, pharmaceuticals and diagnostics, and sells its products in more than 150 countries. Roche Holding offers in-vitro diagnostics and drugs for cancer and transplantation, cardiovascular and dermatological diseases, and virology. Roche Holding's prescription drugs include cancer therapies MabThera/Rituxan and Herceptin, anemia treatment NeoRecormon/Epogin, hepatitis drug Pegasys, transplant drug CellCept, obesity treatment Xenical, and Tamiflu, which is used to prevent and treat influenza, including avian strains. Roche Holding also offers products for other therapeutic areas, such as autoimmune diseases, inflammatory and metabolic disorders, and diseases of the central nervous system. In addition, the company provides a range of products and services in various fields of medical testing. The company was founded in 1896 and employs more than 78,000 workers worldwide. In 2006, Roche Holding had more than $34 billion in sales.

Ventana Medical Systems, Inc. (Ventana) develops, manufactures, and markets instrument-reagent systems that automate slide staining in anatomical pathology and drug discovery laboratories worldwide. The company's clinical systems are used in anatomical pathology labs in analyzing human tissue to assist in the diagnosis and treatment of cancer and infectious diseases. Ventana's drug discovery systems are used by pharmaceutical and biotechnology companies in the discovery of new drug targets and to evaluate the safety of new drug compounds. In addition, the company markets consumable products, including reagents and other accessories.

Ventana's customers include hospital-based anatomical pathology laboratories, independent reference laboratories, drug discovery laboratories of pharmaceutical companies, biotechnology companies, government laboratories, medical research centers, and resellers serving these customers. Ventana offers its products primarily in North America, Europe, Japan, and Australia. Ventana was founded in 1985 and is based in Tucson, Arizona. In 2006, the company had about 1,000 employees and sales of approximately $238 million.

On February 20, 2008, Roche Holding acquired Ventana for $89.50 in cash for each share held, or an aggregate of approximately $3.4 billion on a fully diluted basis. The $89.50 represented a 72 percent premium to Ventana's closing price on June 22, 2007. Roche Holding's initial offer of $75 per share for Ventana, which was made on June 23, 2007, was repeatedly rebuffed because Ventana's Board of Directors did not believe the offer fully reflected the intrinsic value of the company. Roche Holding had to increase the offer five times to win over Ventana.

With about $8.6 billion in sales from its diagnostics division in 2006, Roche Holding has been building its diagnostics business during the past year and targeting certain disease states, including cancer. Herceptin, one of the drugs distributed internationally by Roche Holding, is manufactured by Genentech, a company in which Roche Holding has majority ownership interests. Herceptin is given to women with HER-2-positive metastatic breast cancer. Ventana is the leading producer of the diagnostic equipment that identifies the HER-2 protein from the tissue samples of cancer patients. In 2007, Ventana received approval from the Food and Drug Administration for the use of its PATHWAY HER-2/neu (4B5) Rabbit Monoclonal Antibody as an aid in the assessment of breast cancer patients for whom Herceptin treatment is considered.

Transaction Professionals

Franz B. Humer is Chairman of the Board of Directors and Member of the Corporate Executive Committee of Roche Holding Ltd. **Severin Schwan** is Chief Executive Officer and Member of the Corporate Executive Committee. **Erich Hunziker** is Chief Financial Officer and Deputy Head of the Corporate Executive Committee of Roche Holding Ltd.

Thomas M. Grogan is Chairman Emeritus, Chief Scientific Officer, and Medical Director of Ventana Medical Systems. **Jack W. Schuler** is Chairman of the Board. **Christopher M. (Chris) Gleeson** is the President, Chief Executive Officer, and Director.

The law firm of **Davis Polk & Wardwell** represented Roche Holding in the acquisition. The Davis Polk transaction team was led by partners **Arthur F. Golden**, **Christopher Mayer**, and **Marc O. Williams** and associates **Bradley Mitchell**, **Jeffrey M. Glasheen**, **Laura L. Martinez**, **Andrea Buti**, and **Terrence R. O'Donnell** (not yet admitted), all of the New York office. Partners **Lawrence Portnoy** and **Jennifer G. Newstead** and associates **Scott B. Luftglass** and **Brian M. Burnovski** provided litigation advice. **Joel M. Cohen**, a partner, and **Stephen M. Pepper** and **Edward N. Moss**, associates, provided antitrust advice. **Loyti Cheng**, of counsel, and **Heather Daly**, an associate, advised on environmental matters. **Steven S. Weiner** and **Anthony I. Fenwick**, partners, and **Duane Nash**, **Vishnu Reddy**, and **Stefan Quick**, associates, provided intellectual property advice. **Michael Mollerus**, a partner, and **David Morris**, an associate, advised on tax matters. Partner **Jean M. McLoughlin** and associate **Sonesh S. Chainani** advised on employment matters.

The Phoenix law firm of **Osborn Maledon, PA.** also represented Roche Holding. **William J. Maledon**, **David B. Rosenbaum**, and **Maureen Beyers**, partners with the firm, worked on the acquisition.

Sidley Austin LLP served as the counsel to Ventana for the transaction. **Michael A. Gordon**, **Thomas A. Cole**, **Brian Anthony McAleenan**, **Richard Bradshaw Kapnick**, **Frederick C. Lowinger**, **Robert L. Verigan**, **Walter C. Carlson**, and **Sharp Sorenson**, partners in the firm's Chicago office, led the team.

The Phoenix law firm of **Snell & Wilmer LLP** also represented Ventana. **Robert Matthew Kort**, **Daniel M. Mahoney**, and **Jeffrey E. Beck**, partners with the firm, directed the work on the acquisition.

Citigroup Inc. served as the financial advisor to Roche Holding and to banks financing the transaction.

Greenhill & Co. also served as the financial advisor to Roche Holding. **Colin Roy**, a Managing Director in the firm's Frankfurt office, directed the work on the transaction.

Goldman, Sachs & Co. advised Ventana on the acquisition.

Merrill Lynch & Co. also served as a financial advisor to Ventana on the acquisition.

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5. Don't do it a la carte. Light says you have to create a program, not just put massage therapists in a room. "In the public mind, hospitals are places of illness," he says. "You have to create a mind set about transformational healthcare – that you are a place where they can transform their endurance, their health, and their appearance."

6. Make it fit with your mission. "If you see this as a method of getting new patients in the door, you won't create something that will be as successful as a program that is viewed as a way to expand your mission of fostering wellness," Light says. Kesteloot says her program was a natural extension of the hospital's existing integrative therapies – aromatherapy and music therapy at the bedside for oncology patients. "Other patients wanted this, too," she notes.

7. Don't assume you'll get rich quick. Kesteloot says her job is to break even, and so far she has succeeded. She doesn't think that going in with an idea to make tons of money is the path to riches. She doesn't bill insurance, although there are programs that can bill alternative therapies as part of something like cancer care. Instead, view it as a way to differentiate yourself in the market and provide patients, their families, and staff with that extra something that can make them feel good about your facility.

Indeed, if you get it right, the benefits extend beyond your patients. Family members waiting for surgeries to end and employees looking to decompress after work also make use of the services. Kesteloot says half the clients at the Oasis are employees, who also get a discount on services. And while oncology services are a likely starting point for marketing, pre- and post-natal patients may also want a massage or a facial.

It's a hard market, Kesteloot says. You have to make sure you are visible while still adhering to all the regulations about marketing services in your state. "We are a no-solicitation facility, so that makes it hard," she says. Currently, Oasis put fliers in all the obstetrical and oncology practices, as well as in the obstetric areas of hospitals.

Give it time, she concludes. "What makes a spa is people coming back to see particular therapists. We started up with little capital and revamped some rooms on a shoestring. It doesn't have to be expensive, but you have to give it time to succeed." ¤

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"Two years is far too early to judge the plan's success, especially one that is broad and complex," said Diane Rowland, Executive Vice President of Kaiser Family Foundation. "Any new system trying to meld a bunch of pieces together will always have parts that don't fit together. It is a work in progress."

While the Massachusetts plan can't be duplicated nationally, it has some elements that might be used in a national reform strategy, offering ways to expand public coverage and develop outreach programs to inform the uninsured. "The real lesson of the plan was the willingness of Massachusetts politicians, business leaders, and consumers to come together and get it enacted," Rowland says.

Despite its early setbacks, Darling of NBGH says the Massachusetts plan is "the single most creative approach to coverage that there has ever been. It was imaginative when it was designed." Her organization believes every individual should be covered but insurance has to be affordable. With the cost of health insurance for a family of four now averaging more than $9,000, it is imperative that the nation "find ways to subsidize and get affordable packages," she continues. "Employers fear a government-run national health plan, but the government cannot take over all the health needs of employees and their families and not charge employers."

"What Massachusetts has done over the past two years is pretty amazing…insuring 340,000 people," Draper says. "That's the good news. The bad news is the number of uninsured may be as high as 500,000, rather than the 340,000."

One of the big lessons learned from Massachusetts is that states should know the number of uninsured population before they begin their budgets, she adds. ¤

Going Green, *from page 1*

incineration that found it was the leading source of dioxins in the environment. "We're supposed to do no harm, but here we were contributing to health problems by releasing dioxins and mercury, both well-known neurotoxins," she says. "Patients, staff, and the environment were all being harmed."

But most businesses need something more than "it's the right thing to do" to make environmental changes – some of which have large start-up costs and returns on investment that are years from realization.

There are many reasons why every healthcare organization needs to be actively creating and promoting green programs, but that doesn't mean wholesale changes have to be made. If you have a new facility on the drawing board, you don't have to make it meet the highest green standards. You can do a few things that will make a big difference at little or no cost, says Hall. For example, use paints that are low in volatile organic compounds, plan for space for recycling bins, or use flooring materials that don't require the use of toxic glues.

Hall also notes that hospitals aren't like houses that might be sold to another owner in a few years. The typical lifespan of a hospital is 30 years or more. That means that any additional costs green building might add can be expensed over the life of the building. "If you choose something that costs more in the beginning but will last longer or save money over time, it might be worth those higher costs up front. Don't just look at building costs alone, but building and operating costs together."

One of the objectives of going green – doing more with fewer resources – is not only good business, it is good citizenship. For example, healthcare uses more water and energy than just about any other business in a community. Reducing the use of water and electricity is good from a financial perspective as well as from the point of view of being a good neighbor, says Hall. She adds that one EPA estimate states that every dollar saved in operations is the equivalent of $20 sought in new revenue.

Further, there's more than one bottom line to consider. Hall refers to the "triple bottom line" of finances and patient and staff safety. Going green is good for all three, she says, and Healthcare Without Harm has written a paper that outlines many of the reasons why. Among its assertions: that green facilities create better outcomes. Think about the cost of asthma attacks – for employees and patients, Hall says. There's growing evidence that using greener cleaning products can reduce the number of attacks and they don't increase infection rates. Many of them are now competitively priced, too.

Broward Health in south Florida started a hazardous materials reduction campaign six years ago says Patricia O'Rourke, RN, the corporate safety coordinator. It started by eliminating mercury and moved to other hazardous materials as time went on. Glugeraldehyde, a cold sterilization solution and suspected carcinogen, was replaced; ethylene oxide, a gas sterilization substance, was replaced with hydrogen peroxide – which is not a carcinogen, is cheaper, and isn't a toxic mess if it leaks; xylene use in pathology has been greatly reduced.

There are several other compelling arguments for making the investment in going green that will be covered in the July/August issue of *Nightingale's*. ¤

Special Report

Selected Healthcare Funds for Institutional Investors

Company	Fund Name	Portfolio Manager	Fund Strategy
Alger Funds Boston, MA www.alger.com	Alger Health Sciences Equity Composite	Rosanne F. Ott Eric Shen Daniel C. Chung	Long-term capital appreciation by investing primarily in equity securities engaged in the health sciences sector.
BlackRock, Inc. New York, NY www.blackrock.com	BlackRock Health Sciences	Team managed	Invests in health care related securities and looks to add value primarily through stock selection and opportunistically through industry allocations.
Delaware Investments Philadelphia, PA www.delawareinvestments.com	Delaware Healthcare Fund	Liu-Er Chen	Invests at least 80% of its assets in the equity securities of healthcare companies that develop, produce, or distribute products or services related to the healthcare or medical industries and derive a substantial portion of their sales from products and services in the healthcare industry.
Munder Capital Management Birmingham, MI www.munder.com	Munder Strategic Healthcare Composite	Kenneth A. Smith	Long-term capital appreciation through investments in companies providing healthcare-related products and services worldwide. Invests only in public healthcare-related companies with diversification across a broad range of healthcare industries.
Saratoga Capital Management Garden City, NY www.saratogacap.com	Saratoga Health & Biotechnology Fund	Oak Associates, Ltd	Top-down investment approach focused on long-term economic trends.
The Hartford Financial Services Group Hartford, CT www.thehartford.com	The Hartford Global Health Fund	Joseph H. Schwartz	Seeks long-term capital appreciation by investing at least 80% of its assets in the equity securities of healthcare-related companies worldwide.
The Vanguard Group Valley Forge, PA www.vanguard.com	Vanguard Health Care Index	Vanguard Quantitative Equity Group	Seeks to track the performance of the MSCI© US Investable Market Health Care Index.
Ziegler Health Care Real Estate Milwaukee, WI www.zhref.com	Ziegler Health Care Real Estate Funds	John W. Sweet R. Walker Batts	Series of private-equity funds designed to invest nationwide in the acquisition and development of medical office buildings and other specialty medical facilities.

Worth Reading

Health Plan – The Practical Solution to the Soaring Cost of Medical Care

Author: Alain C. Enthoven

Publisher: Beard Books

Softcover: 216 pages

List price: $34.95

Nearly 30 years after *Health Plan – The Practical Solution to the Soaring Cost of Medical Care* was first published, *ABC News* and the *Washington Post* took stock of the U.S. healthcare system by polling Americans on the subject. The survey found widespread unhappiness, with 54 percent of Americans dissatisfied with the overall cost and quality of their healthcare and nearly two thirds preferring a universal health insurance program over the current employer-based system.

In this environment of discontent, Enthoven's book on reforming the U.S. healthcare system deserves a fresh look. Like most experts calling for reform in any field, the author introduces his plan by identifying beliefs and perspectives standing in the way of reform. These are identified in "Seven Misconceptions About Medical Care." Among the misperceptions: there is only one "best" treatment for any given medical problem; medical care is a product measured by such criteria as "inpatient days," "outpatient visits," and "doctor office visits"; more medical care for any condition is always better than less; and individuals have no control over when they need to or desire to seek medical care.

The seven misconceptions have resulted in healthcare being likened to an enterprise such as offering accident insurance or providing public utility services. This has to change if the system is to be relevant to the lives and medical problems of the myriad individuals it is meant to serve, argues the author. In Enthoven's view, healthcare must be able to respond to the diverse conditions of individuals' lives rather than be based on bureaucratic or corporate guidelines and objectives.

With his plan, Enthoven seeks to invest basic healthcare decisions with individuals, who know more about their own circumstances and wishes, rather than politicians, government bureaucrats, or corporate executives. Once this premise of Enthoven's plan is grasped, the error of the comparisons to accident insurance and public utilities becomes evident. According to the accident insurance comparison, the healthcare system is involved in individuals' lives only in moments of emergency. But this has no more to do with good health than car insurance has to do with good driving. Since good health is a central concern of every person over the course of her or his entire life, the optimum healthcare plan would be accessible and responsive regarding a broad range of health issues and conditions of varying degrees and individual preferences. The health plan Enthoven proposes is such a plan. The public utility model for a health plan likewise fails in meeting the wider range of actual health concerns for individuals and society because this makes healthcare a resource that is entirely in the hands of large companies and government regulators. Resources such as energy or phone lines controlled by a public utility company in accordance with government regulations make it a resource available to consumers in ways the company determines as allowed by the regulations. The public is left to making use of the resource according to the system designed by the company. While one can partake of more of the resource by paying more, one cannot do this in a desirable, relevant health plan. Such a plan has to play an active part in individuals' lives and not be available only in response to their decisions; and it also has to have its full resources potentially available at any moment to respond to unanticipated health emergencies whether these be accidents or illnesses. By contrast, public utility companies are passive; and if one wants to make more use of their particular resources, this is ordinarily accompanied by a change in one's life or business and it entails purchasing new equipment such as more energy-using products or additional phones.

Enthoven names the optimum health plan he proposes the Consumer Choice Health Plan – CCHP for short. It is derived from a "synthesis of principles of economics, statistics, probability, and decision theory applied to the complex and uncertain problems of medical decision making." Although Enthoven designed his health plan from years of experience in the healthcare field and related government agencies, his expertise in economics, and deep analyses of the broad and diverse factors of healthcare (many of which the average reader would not be even aware of before reading his book), the basics of his health plan are simple and readily comprehensible. These basics are two: (a) individual choice; and (b) free-market practices. These two basics have the virtue of being ones that have proven not only to be effective in other social and economic fields, but to be fundamentals of American society. Hence, adopting Enthoven's plan would not call for arduous persuasion or education of the public, new government agencies, or the creation of new businesses. For instance, the author does not propose the elimination of HMOs, but describes practices that would make them more competitive so as to keep medical costs under control and thereby offer lower health insurance costs to consumers. The adoption of Enthoven's plan would mean a recognition of the principles and practices beneficial in other major areas of society, and an implementation of these in the central social interest of optimum healthcare.

Alan C. Enthoven has many years of experience at the top levels of government, healthcare, and economics. Among his numerous positions has been professor at Stanford University's Graduate School of Business, economist with the RAND Corporation, consultant to Kaiser Permanente, and Chairman of the California Managed Health Care Improvement Task Force.

Special Report

Selected Regional and Local Healthcare Accounting Firms – 2008

Firm	Locations	Partner in Charge	Practice Specialities
Amper, Politziner & Mattia Edison, NJ www.amper.com	7 offices in NY, NJ	Michael McLafferty	Provides applicable auditing and tax services and a full spectrum of financial and management services to hospitals, ambulatory surgical centers, and physicians.
Blue & Co. Carmel, IN www.blueandco.com	7 offices in IN, OH, KY	Edmund R. Abel eabel@blueandco.com	Provides audit and accounting, taxation services, and consulting services to hospitals, physicians, dentists, long-term and continuing care facilities, retirement communities, and behavioral systems.
Blum Shapiro West Hartford, CT www.blumshapiro.com	2 offices in CT	Darrell Pataska dpataska@blumshapiro.com	Connecticut's largest regional accounting, tax, and business consulting firm specializing in services to long-term care facilities, physician practices, and hospitals.
Carr Riggs & Ingram Enterprise, AL www.cricpa.com	15 offices in AL, FL, GA, MS, TN	Phyllis S. Ingram pingram@cricpa.com	Provides a full range of accounting, auditing, tax, and consulting services to hospitals, physician offices, diagnostic centers, long-term care facilities, surgical centers, and rural health clinics.
Goodman & Company Richmond, VA www.goodmanco.com	9 offices in VA, MD	Christopher Bennett cbennett@goodmanco.com	Provides accounting, tax, audit, and consulting services to acute-care and psychiatric hospitals, physician practices, assisted living facilities, DMEs, home health agencies, and rehabilitation agencies and clinics.
Horne LLP Jackson, MS www.horne-llp.com	12 offices in AL, AZ, MS, TN, LA	Robert L. Welborn	Provides accounting, auditing, and tax services, and financial and management consulting services to hospitals, health systems, and physicians.
Kerber, Eck & Braeckel LLP Springfield, IL www.kebcpa.com	7 offices in IL, WI, MO	Dale Becker daleb@kebcpa.com	Provides accounting, auditing, and tax services to physicians, hospitals, integrated healthcare systems, nursing homes, assisted living facilities, and medical practices.
LarsonAllen Minneapolis, MN www.larsonallen.com	26 offices in AZ, NC, DC, PA, MA, MN, MO, WI, FL	John Richter jrichter@larsonallen.com	Provides audit, tax, and consulting services to home care facilities, hospitals, physicians and physicians groups, and senior living facilities.
Morrison, Brown Argiz & Farra, LLP Miami, FL www.mbafcpa.com	6 offices in FL, CO, MD	Ronald Finkelstein rfinkelstein@mbafcpa.com	Offers a portfolio of accounting, tax, and consulting services to ASCs, DME providers, HMOs and provider networks, home health providers, hospitals, imaging centers, and physician group practices.
Moss Adams LLP Seattle, WA www.mossadams.com	20 offices in CA, OR, WA, AZ, NM	Tony Maki tony.maki@mossadams.com	One of the largest accounting and consulting healthcare practices in the West, serving hospitals, medical practices, ASCs, LTC facilities, IPAs, behavioral health, managed care organizations, and home health.
O'Connor Davies Munns & Dobbins New York, NY www.odmd.com	5 offices in NY, NJ, CT	Chris McCarthy Cmccarthy@odmd.com	Provides accounting, tax, and consulting services to nursing facilities, assisted living facilities, continuing care retirement communities, hospitals, inpatient/outpatient facilities, home health agencies, and others.
Rothstein Kass Roseland, NJ www.rkco.com	7 offices in NY, CA, CO, TX, NJ	Anthony J. Aceti aaceti@rkco.com	Provides accounting, audit, tax planning, and consulting services to LTC facilities, nursing homes, acute care and rehabilitation centers, assisted living facilities, skilled nursing facilities, and individual practices.
Smart and Associates Devon, PA www.smartgrp.com	14 offices in PA, NY, MD, OR, IL, GA, CT, DC	Jonathan S. Stomberger jstomberger@smartgrp.com	Provides a full range of accounting and consulting services to community hospitals, health systems, academic medical centers, LTC and home care companies, physician practices, and managed care companies.
Stonefield Josephson Los Angeles, CA www.sjaccounting.com	5 offices in CA	Nanette Miller nmiller@sjaccounting.com Rick Poole rpoole@sjaccounting.com	Provides accounting and consulting services to hospitals and specialty centers, senior living physicians, dentists, and group practices, and home care and hospice facilities
Virchow Krause & Company Madison, WI www.virchowkrause.com	9 offices in WI, MN, IL, MI	Ronald Szarzynski rszarzynski@virchowkrause.com	Provides a full range of accounting and consulting services to healthcare organizations, including providers, payers, and public health entities.
Weiser LLP New York, NY www.weiserllp.com	4 offices in NY, NJ	Lawrence P. Cafasso lcafasso@weiserllp.com	Provides accounting, auditing, tax planning and compliance, and business advisory and transaction services to hospitals, physician practice groups, long-term care providers, and home health agencies.

In Focus

National Business Group on Health

The National Business Group on Health (NBGH) was established in 1974 as the only non-profit in the United States representing large employers' perspective on health policy and solutions to the healthcare problems they face. The nearly 300 members are primarily Fortune 500 companies and other large employers, and they represent organizations that provide coverage to over 50 million people and their families. Among its members: American Express, Xerox, MedImmune, Honeywell, IBM, Lowe's, US Bancorp, Dow Chemical and the University of Arkansas

The NBGH is organized into several institutes, each of which has its own focus initiatives. They include:

• The Institute on Health Care Costs and Solutions, which focuses pressing health and welfare benefits issues. The goal is to identify and share best practices and innovative ideas for managing costs and improving quality by creating forums for specific issues, developing principles to sort out the best approaches for business, and using technology to get the word out about them. Among the key areas the group focuses on are: strategies to help change incentives for employers, employees, and patients; models of care that engage the consumer; disease management; consumer decision support tools; disclosure of key data to encourage the use of the best programs; improved patient safety; encouraging evidence-based medicine; and pay-for-performance programs.

• The Institute on the Costs and Health Effects of Obesity works with employers, public health leaders, and other stakeholders to control costs by addressing obesity as a critical driver of health spending. It focuses on the health, economic and productivity related impacts of obesity for both the current workforce and the future workers of America.

• The Global Health Benefits Institute was created to meet the needs of multinational corporations through collaborative information exchange, joint problem solving, and the development of innovative approaches to global healthcare concerns. Among its objectives are developing a business case for investment in health and productivity programs, providing data on health trends and demographics, and establishing vendor expectations for excellence.

• The National Committee on Evidence-Based Benefit Design seeks to improve quality of care and promote value by using benefit design to reward effective care. Established in 2004 in response to poor outcomes related to waste and misuse of healthcare services, the committee hopes to identify areas for fast-track technology assessment, promote health IT infrastructure, and enhance the value of consumer-directed healthcare programs.

• The National Leadership Committee on Consumer-Directed Health Care's goal is to propose ways employers can advance the development of consumer-directed health plans. Its objectives include advancing transparency and the development of decisionmaking tools, personal health records, and healthcare savings accounts; engaging consumers through education; sharing experiences and best practices; and providing information and insight to suppliers, vendors, and policy makers.

• The Center for Prevention and Health Services houses the Business Group's health programs in the areas of health services, health services research, prevention, public health partnerships, maternal and child health, health disparities, and consumer education. The Center provides solutions for employer concerns in those areas; identifies and develops tools and strategies for employers to use in addressing these issues; provides employers with information on emerging trends and data; and translates clinical and public health research and guidelines for an employer audience.

The NBGH's President is **Helen Darling**. A member of several healthcare advisory boards, including the Institute of Medicine's Roundtable on Evidence-Based Medicine, Darling served as Practice Leader at Watson Wyatt, and directed the purchasing of health benefits and disability at Xerox Corporation for 55,000 U.S. employees.

Other key personnel include:

David Fogle, Vice President, Finance, Administration and Human Resources. Fogle joined the group in 2004 and oversees accounting, finance, human resources, information technology and general office administration functions. He came to the organization with nearly two decades of financial management and accounting experience in both the for-profit and non-profit sectors, including a stint as Director of Finance for the National Committee for Quality Assurance

Pamela J. Kalen, Vice President, Membership and Member Services. A part of the National Business Group on Health for more than six years, Kalen manages all aspects of the membership process including member recruitment and retention and innovations in member benefits. Kalen is also responsible for the group's communications activities. Previously, she served as the Executive Director of the Employers' Managed Health Care Association, now known as the America's Health Insurance Plans.

Steven E. Wojcik, Vice President, Public Policy. Wojcik is in charge of developing the group's position and strategy on federal issues impacting health benefits for large employers. Prior to joining the NBGH, Wojcik was Manager of Government Relations for PacifiCare Health Systems and Senior Health Policy Analyst for WellPoint Health Networks Inc.

LuAnn Heinen, Vice President. Heinen is responsible for the Patient Safety Initiative and also serves as Director of the Institute on the Costs & Health Effects of Obesity. Previously, she headed Heinen HealthCare Associates LLC for five years.

Ron Finch, Vice President. Finch is responsible for the Center for Prevention and Health Services, the Institute on Health, Productivity and Human Capital, and the Pharmaceutical Council. Previously, Finch was Director of Healthcare and Hospital Administrator at Mount Carmel Guild Special Hospital, where he designed, implemented, and directed the delivery of behavioral health and addiction services to more than 6,000 indigent, psychiatric Medicaid and Medicare patients each year.

More information is available at the organization's website, www.businessgrouphealth.org ¤

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