

# *CheckUp Extra*

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## *Lehigh Valley, Muhlenberg Hospitals Considering Managed Care Collaboration*

On Wednesday, Sept. 21, Lehigh Valley Hospital was informed that Muhlenberg Hospital Center had agreed to enter negotiations with the hospital to pursue participation in a managed care network. While both hospitals will continue to be governed and operated independently, they will seek a cooperative approach to providing cost-effective, regional health-care services through a managed care network. The network would contract with area employers and insurers to provide their employees with preventive, diagnostic, acute care and rehabilitative services. "This cooperative effort is complementary to our recent affiliation with Penn State's College of Medicine at The Milton S. Hershey Medical Center," according to Joseph A. Candio, MD, hospital medical staff president. "These initiatives support our strategic planning efforts begun in July 1993, to develop cooperative relationships that not only strengthen our educational programs but also improve our ability to seek managed care contracts." At its October meeting, the Lehigh Valley Hospital Board of Trustees will be asked

to endorse the hospital's continued participation in this joint planning process. Currently, Lehigh Valley Hospital and over 450 physicians on its medical staff comprise Lehigh Valley Physician Hospital Organization, Inc. (LVPHO). In May, LVPHO began to contract with employers seeking a healthcare program that would both reduce their costs and improve quality of care. As a result of the latest action, Muhlenberg Hospital Center and Lehigh Valley Hospital will pursue an agreement that would provide access to a complementary range of services in a broad geographic area. "Through this collaboration, we expect to reduce health-care costs and expand patient services," said Elliot J. Sussman, MD, Lehigh Valley Hospital president and CEO. "This is consistent with our FUTURES program, which will help us redesign our healthcare system through the pursuit of managed care ventures, the site and facilities plan and operations improvement," Sussman added. Additional information about this affiliation will be reported in upcoming issues of CheckUp and other hospital publications. ■