Lessons In Maryland For Costs At Hospitals

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This hardscrabble city at the base of the Appalachians makes for an unlikely hotbed of health care innovation.

Yet Western Maryland Health Systems, the major hospital serving this poor and isolated region, is carrying out an experiment that could leave a more profound imprint on the delivery of health care than President Obama's reforms.

Over the last three years, the hospital has taken its services outside its walls. It has opened a diabetes clinic, a wound center and a behavioral health clinic. It has hired people to follow up with older, sicker patients once they are discharged. It has added primary care practices in some neighborhoods.

The goal, seemingly so simple, has so far proved elusive elsewhere: as much as possible, keep people out of hospitals, where the cost of health care is highest. Here, the experiment seems to be working.

Hospital admissions here are down 15 percent. Readmissions have fallen, too. In 2011, 16 percent of people who had been discharged went back into the hospital. Now, that figure is 9 percent. Many patients report that they are happier with the care.

And Western Maryland has reaped financial rewards. In the fiscal year ending in June, the system made an operating profit of $15 million on about $370 million in revenue, said Barry P. Ronan, the chief executive. That's a spectacular return, given that the average margin at hospitals across the state is a meager 0.8 percent.

Western Maryland's initiatives to take charge of people's health, rather than simply provide services for a fee, fit a core objective of federal health care reform: changing hospitals and related facilities into something resembling an Accountable Care Organization.

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