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## State: LCRH pricing OK

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*Lake Cumberland Regional Hospital appears to be well within the range of being cost-effective. This would certainly make it questionable whether Somerset needs a second provider.*

— Jeff Barnett, director of  
Kentucky's CON office

By JEFF NEAL  
CJ News Editor

For everyone who thinks Lake Cumberland Regional Hospital's pricing is too high, here's a news flash from Frankfort: The hospital's pricing is well within the boundaries of state guidelines.

“For a hospital's finances to be out of line, they have to be 1 1/2 times higher than their competitors,” said Jeff Barnett, the

director of the state's certificate of need office. “We did an in-depth study of the financial performances of all 119 hospitals in the state — we found several hospitals who exceeded 150 percent of the net means of state hospitals. But Lake Cumberland Regional Hospital is not on that list.”

In a visit to Somerset in late April, Gov. Ernie Fletcher told the *Commonwealth*

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# LCCRH

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*Journal* that the state CON office was doing a study into the finances of Lake Cumberland Regional Hospital. He said the results would play a huge role in the decision on a possible second hospital coming to Pulaski County.

According to Barnett, the results of the study have made the possibility of a second hospital in Somerset garnering a CON virutally nil.

"Lake Cumberland Regional Hospital appears to be well within the range of being cost-effective," Barnett said. "This would certainly make it questionable whether Somerset needs a second provider."

Barnett said no application for a CON has been filed, despite year-long posturing from high-profile Pulaski Countians, such as Somerset Mayor JP Wiles and Judge-executive Darrell BeShears.

"We know there's been a lot of talk about a second hospital down there, but we've seen no paperwork," Barnett said.

Barnett explained the study ordered by Fletcher took into consideration every aspect of state hospitals' financial conditions.

"We needed a fair way to assess hospitals' financial performances," he said. "We

wanted to look at more than just pricing, because at times pricing can be very arbitrary and misleading.

"We wanted to make sure we were comparing apples to apples," Barnett added. "We had to look at the provider and the types of patients the provider was servicing ... the type of procedures that were being performed at each location."

Barnett said one hospital in the seven-county area around Pulaski County — the hospital located in Rockcastle County — exceeded the 150 percent of the net state means.

"But really, it makes sense that Rockcastle County would exceed our threshold, because it is considered to be a critical-access hospital," Barnett noted. "It's not sur-

prising it would fall out of that range.

"We just wanted to see which hospitals were cost-effective for their patients," Barnett added. "It would be fair to say that Lake Cumberland Regional Hospital would fall within that cost-effective range."