



**Reid Hospital**  
& Health Care Services  
*Caring • Healing • Leading*

## Reid About Value

### Fairness Policy

November 2006

Dear Community Leader:

When it comes to basic human services as essential as health care, patients should be treated equally. At Reid, we believe this so passionately that we follow a policy that is rooted and grounded in the American tradition of fair play. We do not discount rates.

What this means at Reid is you can be assured that everyone pays the same for care. Said another way, this means that every individual, every employer and every insurance company pays the same rates. No one is getting a better rate, there are no back room arrangements, no sweetheart deals and no handshakes under the table.

We believe that prices should be fair, reflective of the resources used to produce the services performed, and competitively and uniformly applied. A small employer should not pay more than a large employer. A person without insurance should not be charged more than a person with insurance coverage.

Reid's Governing Board is committed to its long-standing "fairness" policy and has been steadfast in saying we will not grant "most-favored status" to any group of payers, putting others in a second class position. Reid is among only a handful of hospitals in the nation to follow this practice.

Discounts have an inherent inequity because discounts granted to one group of patients must be shifted by the hospital to another group in the form of higher prices.

A number of national studies have shown that in areas of the country involved heavily in discount game-playing, the costs of health care are actually higher. The discounting "game" gives the illusion of savings – but it is an illusion without substance. It gives the appearance of saving money, but in fact, the opposite is true. What we have found is that Reid's full price is usually less than other hospitals' so-called discounted price.

Admittedly, this approach, at first glance, is surprising to new employers and new human resource persons in the community. However, we are convinced that Reid's fairness policy works to the benefit of every patient, to the benefit of employers, to the benefit of the community, and it results in lower prices for everyone.

I encourage those of you who have questions to please contact me, and I will be glad to discuss how this approach benefits you.

Sincerely,

Barry S. MacDowell  
President