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E-Letter Submitted to the Health Affairs Editor on the June 20, 2006 Web-Exclusive Article, “How Nonprofits Matter in U.S. Medicine”, and Three Other Perspectives

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Authors Mark Schesinger and Brad Gray are to be commended for making clear through their analysis of the research literature that nonprofit health care organizations provide a variety of benefits beyond indigent care to their communities, some not easily measured. Particularly telling are the findings that compared to for-profits they are more trustworthy and more innovative, and less likely to: make misleading claims, treat vulnerable patients differently, mark up prices and otherwise maximize revenues.

While clearly not perfect, the nonprofit health care sector is behaving in precisely the kinds of ways that we as a society want it to. You can't put a simple price tag on such behaviors, as perspectives by David Hyman, William Sage and Gregg Bloche would suggest. In her perspective Jill Horwitz recognizes the pitfalls of quantitative tests for ensuring public accountability: “Much of what we want our health care organizations to do is hard to define and hard to measure.”

Does the nonprofit health sector need to work better? Are some behaving better as nonprofits than others? Absolutely. The entire health care system must be made more accountable. Simplistic formulas are not the answer. The answer is greater transparency and public disclosure.

Schlesinger and Gray argue that reporting requirements don't go far enough because reports might sit on shelves, unread and unused. I disagree. If government officials or communities care, and most do, they will demand and read the reports, and they will raise questions and concerns where they feel necessary. If they don't care, they deserve what they get.

The key to improved accountability is improved governance. If boards know that they must report timely, clear information to the public about their finances, community benefits and key operational matters—and attest to the validity of that information, they

will demand the same of their chief executives. They will work hard, and the days of honorific boards will be over. The court of public opinion will deal with most bad behavior. The last resort can always be more regulation.

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