

Health Maintenance and Other Managed Care Organizations

The penetration of managed care has been much slower in NWPA. The percentage of admissions by payor class has not changed by more than one percent. Medicare admissions have increased from 46.9% to 48.4% between the first 6 months of FY95 and the first 6 months of FY96. Blue Cross remains at 22.5%, Medicaid at 14.3% and all others at 14.8% for the first 6 months of FY96.

The HMOs, POSs, PPOs listed in the table for SWPA (pg. 54) also serve NWPA. The Blue Cross and Blue Shield Association of Western PA continues to be the predominant insurer in all markets. Blue Cross of W. PA commands 65% of the market in W.PA.

Non - Hospital Care Providers

As in SWPA, the Northwest region has a significant portion of its population approaching or in their later years. Acute care hospitals faced with declining admissions will continue to affiliate, manage, or convert a portion of their beds into skilled nursing. The dynamic nature of the nursing home industry must be monitored prior to entering the regions. Nursing home residents are becoming increasingly complex medical cases. This is due to the effort by insurance companies to demand earlier release of patients from the acute care setting. Hospitals should capitalize on the name recognition and goodwill in their communities to enter the long term care market. The simplest and quickest method of accomplishing this is to allow a long term care management firm take over this function internally.

The city of Erie has two rehabilitation hospitals. Rehabilitation and physical medicine services are typically offered within acute care settings by the physical/occupational/speech therapy departments. Due to the rural nature of the Northwest region, the expansion of home care services would be an opportunity for a firm to enter.

Group Purchasing Organizations

The organizations serving SWPA also serve NWPA from the Pittsburgh region. The travel time by car from Pittsburgh to Erie is less than three hours. Please see this section (pg. 13) for the names, addresses, and telephone numbers of these firms.

Wholesalers, Distributors, and Manufacturer's Representatives

Medical Device and Pharmaceutical Manufacturers

Health Care Consultants

Please see the tables for SWPA (pg. 57). Typically, all of Western Pennsylvania is considered one territory.