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own fate."

the NCHA plan will require the cooperation of hospitals medical staffs in managing the Medicaid patient days if the plan is to accomplish its goal of cost reduction. He futher noted that the success of hospitals and physicians in meeting the target goals established by the plan will reduce greatly the current problem of shifting costs to private paying patients.

new Medicaid formula, physicians and hospitals would be prepared to transfer patients from high cost referral hospitals to lower cost community institutions when the appropriate stage of recovery is reached," Morrisette stated, "enabling the higher cost hospitals to meet the target days established by the formula."

consisting of a group of North Carolina hospital administrators who experience large volumes of Medicaid patients, developed the prospective plan during six months of planning sessions. A group of area university professors and hospital officers served as advisors in development of the reinmursement formula. The association's prospective plan also includes suggestions for cost containment measures to be built into employee insurance policies and hospital operations, as well as physician practices, to curb excessive utilization.



Noah Webster years working on his famous