

THE GALLUP ORGANIZATION

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Mr. Thomas A. Scully
Administrator
Centers for Medicare and Medicaid Services
Hubert H. Humphrey Building 200
Independence Avenue SW
Washington D.C. 20201

Dear Mr. Scully,

We have read, with great interest, your proposal to provide standards for patient measurement in hospitals.

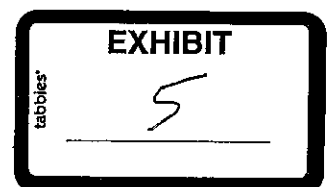
We were wondering if it would be possible to host a breakfast meeting with you here in D.C. at our new world headquarters, The Gallup Building, at 9th and F Street NW. We would like to hear your vision and at the same time present to you what we have learned in our twenty-five years of efforts to build standards, with many of the same objectives.

We obviously have concern about what appeared to many in our hospital market as a subtle endorsement by your office of our competitor NRC. Gallup is greatly concerned by what we read on NRC's website. It appeared to assume an alignment between your vision and NRC's questionnaire and methodology.

Some Points

1. Gallup science is far ahead of that of our competitors. We spend more on R&D on these subjects than the total billings of competing organizations.
2. We have established real linkage between patient assessment and outcomes, such as their mathematical impact on profitability, medical malpractice and critical fiscal metrics.

Gallup is the only firm to have discovered what "drives" these outcomes in a systematic and predictable way. (It tends to all be driven by twelve factors in the workplace.) Without this data, the patient tracking is an incomplete picture with inaccurate conclusions.



3. As much as we would like to use mail questionnaires because of the low cost, we find the response rates too low, around 20-40%. At those levels the standard rules of probability don't exist. This is a dirty little secret in our industry.

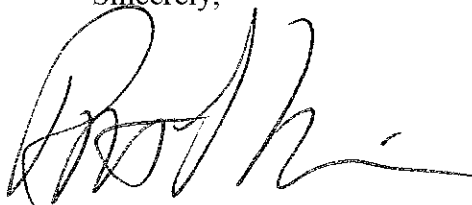
This means you may or may not be tracking real patient attitudes. A high non-response produces bias and produces unreliable metrics. Although more expensive, we complete interviews by phone for the 450 hospitals we currently track; hence, raising our response rates to 70%, which means these data are statistically reliable

4. Gallup employs the most credentialed and practiced professionals in the world on the subject of survey research methodologies. We have more real research to add to your vision of "standards" than all our competitors combined.

In arranging a meeting, I have asked a friend and professional advisor to Gallup, Hal Daub, to coordinate a meeting that would include myself and 4-5 of our top healthcare professionals.

Thank you in advance for allowing The Gallup Organization to enter this incredibly important conversation in regard to your visions and strategies for this all-important industry.

Sincerely,

A handwritten signature in black ink, appearing to be "Robert K. ...", written in a cursive style.

cc: Hal Daub