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Action to Adapt

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Ford Motor Company has saved more than \$1 billion in engineering and manufacturing costs by using a computer network to reduce the time it takes to develop a new car or truck. Adapting to competitive pressures to lower costs and get products to market more quickly, automakers have turned the world of engineering, designing, and testing vehicles upside down. No longer will engineers spend time constructing prototypes; instead the process will be done in a computerized "virtual" world.

Catholic healthcare leaders might take inspiration from this example of flexibility and innovation. They, too, are facing a change that, just as urgently as engineering technology, will affect their ability to survive and carry on their mission. That change is managed care, especially managed care in the Medicare and Medicaid programs.

In this issue, Bruce Vladeck, administrator of the Health Care Financing Administration, previews the directions the government is exploring as it restructures the Medicare and Medicaid programs to include managed care options for beneficiaries, a large number of whom are served by Catholic organizations.

This competitive Medicare/Medicaid market raises complex strategic issues for Catholic healthcare providers. William J. Cox, who directs the Catholic Health Association's government relations activities, argues that, to be players in the new era, members of the Catholic health ministry must take action now (p. 29). An essential step is to participate in regional meetings that CHA is sponsoring this fall to help Catholic organizations increase their ability to provide a continuum of services by drawing on their strengths.

And Catholic organizations do have significant strengths. In our cover story, David M. Semple analyzes these advantages, as well as the disadvantages, under which they are entering the new era and proposes a strategy for Catholic healthcare that acknowledges both.

None of our writers would suggest that Catholic healthcare can operate in the same fashion as manufacturing. But implicit in each of their viewpoints is a call for leaders who can spearhead organizational adaptations as radical as computerized engineering.