

A Tribute to Jack Cook



1945 - 2022

This tribute is but a small token of remembrance from friends and colleagues of Jack Cook. Jack was one of the founding staff of the nation's most successful and longest lasting hospital cost containment program. His loss is felt far and wide, but his memory and the impact of his work will be long lasting.

INTRODUCTION

At this moment, during our 601st public meeting, we are pausing to acknowledge the memory and unique contributions of John S. Cook, known to most of us as “Jack,” whose intellect, technical ingenuity and commitment to the public interest shaped the HSCRC’s earliest efforts and created a model of hospital rate setting that contained costs, maintained hospital profitability and supported access to care for all persons regardless of their ability to pay.

Jack joined the HSCRC in 1974, when he was hired by Hal Cohen, our first Executive Director, and he was soon installed as our first Chief Rate Analyst. In the early days, the HSCRC engaged in detailed individual hospital budget reviews which were time-consuming and unsustainable on an annual basis. Drawing on his exceptional talent in mathematics, which he honed at the U. of Pennsylvania and at Oxford University, where he earned a D. Phil in Mathematics, Jack solved the problem by creating the “Inflation Adjustment System” (IAS). The IAS was the first form of fully prospective rate setting in the U.S. It provided hospitals with strong incentives to improve their productivity within a structure that combined incentives, accountability and administrative efficiency. Arguably, the IAS was the most important innovation in the history of hospital rate setting.

Although the IAS provided hospitals with strong incentives to reduce their unit costs, it did not motivate them to manage inputs, such as patient days, or to control the intensification of ancillary testing which was the primary driver of hospital costs at that time. Jack responded to this challenge by working with Graham Atkinson, another HSCRC staffer, with the support of Hal Cohen, to invent and deploy the “Guaranteed Inpatient Revenue” (GIR) system. The GIR—which constrained inpatient charges on a casemix-adjusted basis—broke new ground as a key predecessor of the Medicare DRG system. Combined with the marginal cost volume adjustment, it provided the HSCRC with the tools that brought Maryland’s hospital cost per EIPA down from twenty-five percent above the national average prior to the initiation of rate setting to a low of approximately eleven percent below it while maintaining or improving hospital profitability.

The flow of problem-oriented rate setting models that emanated from Jack’s fertile brain after the IAS and GIR included the “Total Patient Revenue” (TPR) system which was introduced to give hospitals in isolated geographic areas the ability to manage resources without being tethered to actual utilization. In addition, Jack was instrumental in securing Maryland’s first Medicare waiver in 1977 and in creating the “all payer” system which is the hallmark of rate setting in this state.

After leaving the HSCRC in the late 1970s, Jack went on to a successful consulting career during which he conceived and helped to implement in the private sector a variety of bold new reimbursement ideas and health care management concepts.

If a person's life is most fairly measured by his or her contributions to family and community, Jack Cook— born March 12, 1945, and died November 4, 2022—most assuredly made extraordinary contributions for which we, and all Marylanders, owe him a permanent debt.

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Remembrances

Graham Atkinson, former Methodology Chief, HSCRC

Jack Cook was an adventurous thinker who set the direction for hospital rate setting in Maryland, and across the country. Without his insights and innovation, rate setting would probably have been confined to regular detailed reviews of departmental costs rather than an incentive based prospective payment system. At the start, rate setting consisted of calculating unit costs by department, and screening those at the 80th percentile. Once the rates were established, the rate of increase was controlled through the Inflation Adjustment System. Jack continually questioned what was and was not working and modified the system as soon as it was clear that something different was needed. He quickly realized the need to establish controls on utilization as well as unit prices. On a personal level, Jack was one of the smartest and most generous people I have ever met.

Jo and Robb Cohen, Wife and Son of Hal

The following are from my mom, Jo, and me, and reflect our recollection of Hal's feelings about Jack:

Jack was Hal's 1st high level employee, and he started sometime not long after Hal started in the summer of 1972, so at the time he was in his 20's with a Ph.D. in math.

Hal thought Jack was mathematically brilliant and had the ability to apply math effectively for rate setting purposes, to give hospitals an incentive to control costs, while not overregulating.

In addition to Hal thinking Jack was extremely smart and excellent in his work at the HSCRC, we and he thought of Jack as kind, thoughtful and sensitive.

Also, Hal spoke for years of "The J Team," which was Jack Cook, Jack Keane, John Colmers, Jay Levy, and Jim Kelly, and they had a very special level of comradery and friendship which is uniquely fortunate in an office setting.

Maybe most importantly, Hal and Jo both always felt good to be in Jack's presence, whether for work or social occasions.

John Colmers, former Executive Director, Chairman, HSCRC

Although Jack's and my tenure at the HSCRC did not overlap, the evidence of his genius and ingenuity remains in both the historical record and the present day. One need only look at the

elegance of the Inflation Adjustment System, the standards developed for full rate reviews, or the intricate calculations that are of part of the current Total Cost of Care Model to get a glimpse of his impact on the Maryland system.

Jack did all of this while at the same time maintaining the ability to explain these complexities in language that most educated people could easily grasp. His good humor and class are attested to by his many friends and colleagues, and his loss will be deeply felt by them as well.

Ted Giovanis, former Chief HSCRC rate setting

Jack's dress code at the HSCRC

In the office, we dressed very casually. I would wear Levi's and a polo shirt. One day, Jack came into the HSCRC office about 10:00am. He was wearing an olive green three button polo shirt, red plaid Bermuda shorts, a brown dress belt that was about 8" too long that curled in front of him outside the belt loops, his hair was a mess like it hadn't been washed for a few days, he had on dress brown knee-high socks and dress brown wing tipped shoes. Totally uncoordinated; but this was "Jack."

Jack's Return Visit(s) to the HSCRC

After Jack left the HSCRC and was living in the Boston, MA area, he would occasionally come back in town and come to the office. On one occasion, he asked me to go out for a run with him. As we ran, we were headed up to Johns Hopkins Homewood Campus. So, Jack asked, "can I ask you a few questions about the GIR (Guaranteed Inpatient Revenue) methodology." I responded, "Jack didn't you create the GIR?" He responded, "yeah but I forget." This was Jack.

The Game of Hearts and Giving Freddy the Queen

A small group of HSCRC staff used to play the card game Hearts at lunch in the State Roads Building cafeteria. It was a very competitive game, the kind where the players are very good and remember each card that was played and who played them, and the game that typically had 4 players. For those of us who were in the cafeteria, we would watch the game for a short while before returning to work. The prime group was Hal, Lynn, Fred, and Jack Cook. The object of the game becomes ganging up on and targeting the low guy.

In one game, Fred was the high guy and Hal was the low guy and Jack was playing in the rotation after Fred. With about 5-6 tricks still to play, Jack gives Fred the Queen of Spades which meant he was out and automatically high. Fred goes ballistic, grabs a hand full of cards and throws them onto the table with cards splattering all over the table and floor, yelling at Jack as to how he had more tricks left to get Hal (the low guy) and storms hastily out to the cafeteria very angry. Needless to say, the entire cafeteria was now looking at us. Then, Lynn asks Jack "Why did you get Freddy the Queen." Jack responded, "I did it for the clinical value." Meaning he just wanted to see Fred go ballistic and Fred accommodated. This was Jack's very cerebral humor.

Jack Keane, former Deputy Director and Commissioner, HSCRC

Jack was a close friend with whom I worked for forty years in Massachusetts, Maryland, New York and elsewhere. He was the most brilliant and innovative thinker in the field of health care payment systems for that entire period. He also was generous, public-spirited and fun to be with at dinner or on the golf course where he used his legendary skill in mathematics to "smooth" his scores. I will miss him as will many others who had the privilege of knowing him.

Donna Kinzer, former Executive Director, HSCRC

I first met Jack Cook in 1977, when he was one of the staff leaders at the HSCRC. I saw his work progress from Maryland, to New York, to Massachusetts and to national policy thought leadership. He had a hearty chuckle and an enthusiasm that made him fun to work with, while he was a genius who was able to translate policy to analysis and implementation—an uncommon skill. He helped the HSCRC staff throughout his career, most recently providing mentoring and support during the implementation of the All-Payer Model.

I crossed paths with Jack as well as Graham Atkinson, another brilliant HSCRC colleague, throughout my career. They taught me that nice, genuine, smart people who care and take initiative can get things done and make a real difference in health policy, and also in helping other people's lives and careers. I know that Jack was an inspiration to many other people, as he was to me.

Jack will be remembered for his generosity, genius, and his numerous contributions to the Maryland health care system.

Stan Lustman, HSCRC Counsel

Jack Cook is securely and permanently embedded in the HSCRC's Mt. Rushmore. The current All-Star staff of the HSCRC rests undeniably on the shoulders of Hal Cohen, Jack Cook, and Graham Atkinson, the founding triumvirate of the Commission. In the early years of the HSCRC's existence, the Commission faced numerous legal challenges that were adjudicated in the Maryland courts. Those challenging the HSCRC were able to engage the services of Maryland's top attorneys to argue their cases. Notwithstanding, the HSCRC attorneys always felt as though we had the edge, because we had Jack available to us to consult with on what our strongest arguments would be before the court and what the deficiencies were in the opposing arguments. Beyond his unique expertise, Jack was always a pleasure to be around – no question was too "dumb" to ask – and that made us lawyers feel a whole lot better.

Brett McCone, Senior Vice President of Health Care Payment, Maryland Hospital Association

I crossed paths with Jack well after he left HSCRC. Jack and I were both consultants and we seemed to be on opposite sides of very technical HSCRC matters. Jack used to introduce his work group comments with “there is a fundamental false dichotomy between A and B” – an eloquent way of saying, this is wrong and here’s why I have the right answer. When sparring with Jack, you had to be well prepared – know your facts, stats and calculations – and *then* be prepared to thoroughly defend your position. Jack was both tough and thoughtful. I enjoyed our brief time working on HSCRC matters.

Allan Pack, Principal Deputy Director, Population-Based Methodologies, HSCRC

One of the privileges of working at the Commission is getting to know some of the architects of our 40 plus year model. These men and women are brilliant public servants and one of the most impressive I have ever run across was Jack Cook. Despite not being a Commission staffer for over 20 years, Jack still had influence on the model, even when it was evolving beyond its previous scope as an all-payer hospital price regulator. For example, Jack helped create the difference statistic that was used each year to assess TCOC performance. He helped generate the indirect medical education coefficient that is used in our hospital rate efficiency methodology, and I could go on and on. But more generally, Jack served as a conscience for our industry that I will forever miss when seeking counsel for the next big policy discussion the Commission faces, because no one really combined intellect, deep institutional knowledge, and wit quite the same way Jack did.

Dennis Phelps, Deputy Director, Audit and Compliance, HSCRC

The first thing I remember is his booming laugh.

The second is his dry wit.

Third is that he did not suffer fools gladly.

It is my understanding that Jack and Graham Atkinson met while they were getting their PhDs at Oxford. They along with Hal Cohen, the hospital regulation master, form what was a pretty good brain trust to start the HSCRC.

I remember when both he and Graham Atkinson were single and living together. They would come to work as if someone had just pulled them out of bed.

Jack delighted in finding a way to drive Fred, another one-in-a-million character, crazy by beating him in hearts every lunch time.

I remember when Southern Maryland hospital was opening, and Jack created the first version of the ICC to develop its rates. I was the lucky who did the bull work by hand using 18 column worksheets because we had no computers. At the time, I had a mental block and could not for

the life of me spell the word surgery correctly. From that time on Jack referred to me as Dr. Phelps.

I remember when we went out to a staff lunch at Tio Pepe's and we decided to split the tab evenly among the diners. When we got the check there was a charge for a \$100+ bottle of wine. After some discussion, Jack admitted that he ordered the bottle of wine and commented that it wasn't very good either.

Patrick Redmon, former Chief of Methodology Executive Director, HSCRC

Jack served at the Commission before me, so I never worked with him as a staff colleague. I came to know him in his role as a consultant and interested observer, committed to preserving and improving a system he helped to construct. It brings a smile when I think about his writing and presentations: he wrote and spoke with a distinctive voice. When he began a sentence with "Clearly..." I knew we had a lot of work to do to unpack what followed. He brought principle, sophistication, and brilliance to bear on the problems he tackled and made a lasting contribution to the Maryland All Payer system. He will be missed.

Jerry Schmith, Principal Deputy Director, Revenue and Compliance, HSCRC

Jack reminded me of Dr John Nash from the movie "A Beautiful Mind." He would stand there, look up in the air, and do complex calculations as if he could actually see the non-existent numbers in front of him.

EPILOGUE

We thank those who contributed to this remembrance and to the many more who hold dearly to Jack's memory.

Baltimore, Maryland

December 14, 2022

