Hospitals Today

By ANTHONY J. J. ROURKE, M.D.

There are more hospitals today than ever before. They are better staffed and better equipped. They are serving many more patients. Their service is vastly improved. The vision and energy of their governing and administrative authorities are moving hospitals forward with the times. In short, hospitals are doing a much better job than they did just a few years ago.

Hospital administrators can take just pride in their part in this achievement. Approval of these efforts is reflected in public appreciation of good hospital care and respectful recognition of it by the professional groups working in hospitals. The years of life saved for thousands of patients is our reward for having built hospital care to its pinnacle of excellence in the history of man.

Hospitals today are facing critical challenges which I am confident will be met with vision and vigor. Let us consider the many complex problems related to economic, managerial, medical and social changes which must be solved by all hospitals across this Nation. In addition there are the innumerable day-by-day intricacies of hospital operation which need attention. These challenges seem formidable. They point toward a need for even more foresight, leadership, initiative, and untiring effort in the future than has been demonstrated in the past. What is the unfinished work ahead?

Dr. Rourke, executive director of the Hospital Council of Greater New York, retired as president of the American Hospital Association at its 54th annual meeting in Philadelphia, September 15–18, 1952. His was the opening address.

The Cost of Care

Because economic factors thread through all hospital administration, it is logical to consider them in their broad aspects, but first as they affect the patient's purse.

Hospital care is expensive. The high level of service demanded by the public has resulted in greater cost. This increase—although compensated somewhat by a reduction in the length of time a patient remains in a hospital for treatment—outruns the advance in the cost of living that can be attributed to the depreciation of the value of the dollar. Hospitals are seriously concerned with this higher cost and have taken aggressive action to explore its basis with the hope of finding ways to control it.

The cost of hospitalization does not affect just a few individuals. The current demand for hospital care is the greatest ever attained in hospital history. The statistical study of hospital operating data conducted annually by the American Hospital Association indicates that during the past year 6,832 hospitals operated 1½ million patient beds; 18¾ million patients were admitted; and almost 3 million babies were born in the hospitals. There were 1,075,000 people employed in hospitals. The physical plant of these hospitals represented an investment of 8¼ billion dollars; total operating expenses amounted to almost 4 billion dollars.

From these general statistics, one can see how the hospital touches the economic life of a large segment of the population each year.

Voluntary Prepayment Plans

To help meet the economic problem of patients, hospitals have assisted in the development of voluntary hospitalization insurance

plans, a system of prepayment for hospital care. We can be proud of the enrollment of 42 million people in these programs.

Although voluntary prepayment solves the problem of financing hospital care for many individuals, there are still large numbers of people who cannot now be covered by prepayment plans and who are unable to meet the cost of high-quality care. These people are the indigent and those who experience catastrophic illness. Financing the cost of hospital care in the event of poliomyelitis, tuberculosis, or mental disorder, to mention but a few illnesses, is a catastrophe to any family, even when covered by most prepayment plans.

As a supplement to their income from patient service, hospitals receive substantial financial support through charitable contributions. In many instances, these contributions have meant the difference between high- and low-quality care. In others, they have been the deciding factor between some care and no care. Gifts of philanthropists have made possible special studies in hospital administration and organization, and research into this phase of hospital care has been financed largely from this source. So far, however, such financing has barely begun the broad studies which should be undertaken.

While the average voluntary hospital is blessed with community support, it rarely has sufficient financial resources to undertake significant research that might affect nation-wide hospital operation. Research is usually applied only to a local situation. The individual hospital is seldom able to disseminate its findings to the general hospital field so that patients of other hospitals will benefit. The scope of study and research is perforce limited almost always by financial considerations.

The solutions of the economic problems of patients and hospitals have moved beyond the resources and responsibilities of the individual hospital. Now needed are coordinated action and a rededication to the common purpose by all hospitals. Some means must be found whereby all hospitals can benefit from the hospital studies undertaken throughout the entire country.

The ultimate success of inquiries into more effective and more economically produced care must be based upon a search for new methods of administration by all hospitals. Progress will depend on an orderly study procedure and wide dissemination of findings. It will require cooperation.

Problems of Management

What are the more perplexing management problems? It has been frequently said that hospital administration requires all the skills of industrial management in addition to the special facility to deal with professional groups, the understanding necessary to maintain good relations with a special clientele, and the organizational ability to keep the hospital functioning 24 hours a day, 365 days each year. Ours is a tremendous assignment. It is one which tests the best in all of us.

The complexity of hospital management sometimes opens it to criticism and censure—frequently by people who are not completely informed. Yet, hospital administrators, as guardians of the public health, by accepting their assignments, have implied a willingness to assume responsibility for the best possible performance. Improvement of hospital administration is a part of that responsibility.

Hospitals have, on occasion, been suspected of lagging behind industry in the acceptance and use of modern business practices. Some management engineers believe that only 10 percent of business is efficiently administered. If this is true, it cannot be denied that some hospitals, too, are not operated at peak efficiency.

The average hospital has as many as 26 special departments encompassing no less than 185 different jobs. The average industry entails only 65 or 70 different jobs. This comparison points up the complexity of the administrative tasks in hospitals. Determination of ways to coordinate hospital specialists into an efficient unit to work with medical scientists in serving the best interests of patients is another task.

However, it should be remembered that the administration of a hospital differs greatly from that of general industry and requires different methods of operation. Many of these methods have not been critically explored. Little is known about the most effective way of solving many of the complex problems of hospi-

tal operation. A broad inquiry into administrative procedures is overdue in the hospital field.

The hospital product is service, and it is provided through the efforts of people. The high quality of health care required by the public demands competency and a full supply of trained persons. Unfortunately, these persons are not available today, either in the quality or quantity needed. Recent studies of special departmental functions pointed up large deficiencies between supply and demand of personnel. Such shortages create special management problems which need solution.

The Administrator

The hospital administrator must develop a thorough understanding of the hospital field by familiarizing himself with national and local programs. He must have knowledge of specific skills in all the technical phases of hospital activity. He must organize in-service training courses for hospital technicians. He must integrate the special skills of hospital personnel into a working organization. The administrator must have the broad knowledge of human relations which comes from assurance in job knowledge, from training in administration, and from ability to inspire and motivate people to work together.

Coupled with these specific responsibilities of administration is the broad responsibility of the hospital governing boards for policy and standards. Questions and decisions of policy which relate to legal and financial matters and quality of care pose problems which are peculiar to hospitals. The administrator must bring to members of the board all the information they need so that both they and he may provide an effective community service. Many problems of board authority and relationship as yet are unsolved. Greater efforts must be organized to help hospital board members understand and resolve the numerous issues for which they carry major responsibility.

Interdependence With Medicine

During the past 25 years, impressive advances have been made in the field of medical sciences. With this progress has come an increasing interdependence of physicians and hospitals. And as research has been conducted, as inquiries have been extended, as investigations have been advanced, this interdependence has increased proportionally. The end result has been the creation of a relationship inextricably binding hospitals and medicine together.

The interdependence of the physician and the hospital has created many problems. The hospital is straining to cope with the myriad complexities arising from the application of the advances in medicine. In many hospitals, particularly those in rural communities, the introduction of the most advanced medical techniques developed during this supersonic age is performed under what are virtually horse and buggy managerial circumstances. The results, although seldom disastrous, can be said to handicap the efficiency of the team working to produce high-quality health care.

The rapid development of new medical methods in recent years has taxed the ingenuity of hospital administration. The hospital must meet scientific advances through changes in its physical plant, in equipment, and in procedures, and through the development of new personnel skills. Some delay in making these changes is inevitable. The time lag cannot be lengthened—it must be shortened.

To focus on serving the health needs of the community and to act in partnership with the physician, hospitals need men of leadership and training in the most progressive managerial skills. Hospitals must keep pace administratively with the technical progress of the medical sciences.

Also, hospitals need national coordination through an experimental and investigative service to develop techniques and to disseminate information promptly to bring to all physicians, hospitals, and patients the full benefits of medical progress.

Challenge of Social Changes

Hospitals must plan to meet the needs of a growing population. They must initiate programs of care for increasing numbers of aged persons. They must expand their facilities to permit greater service as community health centers. They must inaugurate more effective preventive health care programs.

Population increase, the lengthened life span, concentration of life-saving services, and emphasis on prevention of illness are all phenomena of the virile society in which we live. All introduce problems. All will complicate administration. None can be ignored.

Today we observe this expanding horizon of hospital responsibilities. Today we must plan to meet them so that by tomorrow they can be added to programs of public service. More study, more research, more experimentation, and extended education will be required to accomplish our objectives with dispatch and success.

Future Progress

It is apparent that hospitals all over the country reflect the achievements which are possible when members of a community band together. Voluntary hospitals which are primarily managed by governing boards whose members have volunteered services in interest of the public illustrate one notable accomplishment of free enterprise.

The extension of services and the increased use of hospital facilities will add to economic problems of patients and hospitals alike, requiring special study and development of improvement and extension of prepayment plans for the purchase of care and more efficient methods of production and distribution of care.

Emphasis on management engineering will dictate the need for top administrative skill, for more highly trained personnel, and for improved operational patterns.

Continued advances in medical science will require greater knowledge of medical administration, strengthened relationships between hospitals and physicians, and emphasis on the development of new techniques for applying medical knowledge.

Social changes will open new vistas of hospital service.

As large and as overwhelming as is the job ahead, we can take courage and new faith as we review the progress of the past. The path to the goals of the future must be built upon a system of research and an orderly collection of information about the varied facets of hospital administration. Future objectives can only be obtained by a hospital-action program which applies new administrative procedures, cooperatively developed and disseminated through intensive research and education but focused on better care of the sick.

Atkins to India, Board to Sanitation Post

C. H. Atkins, chief of the Division of Sanitation, Public Health Service, since 1948, has been assigned as chief sanitary engineer of the Public Health Mission to India under the Point IV program, Technical Cooperation Administration. The new assignment also carries the duties of assistant chief of the mission, chief sanitary engineer of the Government of India, and visiting professor of sanitary engineering at the All-India Hygiene Institute.

Succeeding Mr. Atkins as chief of the Division of Sanitation is Leonard M. Board, assistant chief since 1948. Mr. Board, a commissioned officer in the Service since 1943, received his master of public health degree from the University of Michigan. He is a fellow of the American Public Health Association, a past chairman of the Conference of Municipal Public Health Engineers, and a member of the Conference of State Sanitary Engineers, and of the American Society of Civil Engineers.

U. S. GOVERNMENT PRINTING OFFICE: 1952