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SERIES TITLE	School of Medicine
SERIES NUMBER	Administrative Files of Stafford Warren
BOX NUMBER	300:Subseries 2100-6 Departments
FOLDER NAME	147
NOTES	Dept. of Radiology 1955
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HOSPITAL EXECUTIVE COMMITTEE

2:00 P.M.

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July 18, 1955

Present: Drs. Ross, Dowdy, Morton, Longmire, Madden, J. Adams, Lawrence and Brill, Mr. Eastman.

Guests: Mr. George Vogt (U.C.S.F. Hospital)  
Mr. Will Henderson  
Mr. E. F. Nordstrom

- Minutes of meeting of May 9, 1955, approved as presented.  
Minutes of June 3, 1955 approved after correction as follows:

Item No. 2, Appendix 2.4.B, "The Emergency Service" change "Administrative Responsibility," to "Professional Direction."  
This change to be made on line 1 and line 3.

- Proposed transfer of teaching bed fund to Hospital Administration

Mr. George Vogt - Assistant Administrator, Moffitt Hospital, U.C.S.F. School of Medicine.

2.1 Mr. Vogt presented the following information regarding the proposed plan:

A. Objectives:

- Single rate structure
- Increased teaching days
- Makes possible a more logical explanation to patients of discounts given.
- Allows "billings" to agencies at cost.

B. Staff Interests:

- Avoids concern with fiscal problems.
- Could lessen Medical School budget by \$200,000.
- Sets up professional fee discounts
- Flexibility rather than centralization.

2.2 There has been a fluctuation of teaching bed funds 8 times at the U.C.S.F. Hospital in recent years. The fluctuation is a reflection of "political climate" as to which would be more successful in securing budget--Hospital or Medical School.

2.3 Up to July 1, 1955, there was a double rate of billing to patients at Moffitt Hospital.

Private -- at cost  
Teaching -- 60% of private charge.

2.3.1 If a request was made to the Hospital, a patient was admitted at teaching rate, and charge was billed to teaching bed fund for the particular service.

2.3.2 The difference between the money paid by Medical School teaching bed fund and actual cost was borne by the Hospital subsidy.

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2.3.3 In practice, there was inequitable spending of teaching bed funds-- some services spent their share in first few months of the year, and other services spent their share in last few months.

2.4 Also, this system led to "dedicated beds." One service could hold their service beds empty, even though other services needed them.

2.5 Mr. Stull and Hospital Administration considered this problem and have approached it from an objective point of view.

2.5.1 Dual rate structure appeared improper and a single rate structure was developed on basis of actual cost of doing business. They have come up with the figure of \$23.13. They have priced the rooms in the Hospital at \$16, \$18, and \$20. Actual difference in cost of support of 1, 2, or 4-bed rooms is not established.

2.5.2 Bills are discounted as necessary, so patient recognizes the fact that a discount has been allowed. This also helps in detailing costs to contracting agencies.

2.6 The teaching bed funds in Los Angeles equal \$200,000. The cost is \$35 per day. If a 40% subsidy is allowed, it reduces the cost per day to \$21. (\$200,000 will purchase 10,000 patient days (The Hospital has 16,000 patient days allowed.) This would mean that there would be 4 to 5 patients on teaching bed funds for each department at any one time. (figures are Mr. Vogt's)

2.7 Details of Hospital Operating Budget:

60% Income - 4.5 million dollars

40% Subsidy - 1.5 million dollars

100% Expense

If total contribution of patients is 60% of expenses, Hospital operation is solvent. For every patient paying more than 60%, services can bring in a patient who pays less than 50%. This allows bringing in more patients as subsidized cases.

2.8 In San Francisco, there is a guarantee of a certain number of patients who are free -- about 4 - 5 patients at a time on each service. Many patients pay 90% - 95% of costs. If the Medical School teaching bed fund money is surplus at the end of the year, it lapses and is returned to the University. If the Hospital has a surplus, they can use it to enable more cases to be admitted at lower cost. Mr. Vogt remarked that all cases that House Staff wishes to admit to Moffitt Hospital are admitted in actual practice, regardless of ability to pay.

2.9 This system makes it possible to keep beds filled more completely. We at U.C.L.A. are budgeted on the concept of 74% occupancy.

2.10 So long as the 60/40 ratio of pay to subsidy is maintained for hospital occupancies, the Hospital is solvent. If this ratio is not maintained, U.C.S.F. reviews admission policy. They have a committee composed of residents and Department Chairmen who indicate the type of cases wanted and Hospital Administration "assists" in increasing the number of paying cases admitted.

This

2.11/Makes it possible to slow back all excess moneys into teaching program.

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2.12 Dr. Morton raised the question of using one service's beds for another service. Mr. Vogt said it happens on the U.C.S. F. services, except on obstetrics service.

Question Period

Dr. Longmire: Can Hospital funds be carried forward to next fiscal year?

Mr. Vogt: In the past, this was possible. He doubts that it will be so next year. Probably all Hospital moneys will lapse to general University funds at end of fiscal year.

Dr. Dowdy: Is it not possible that during successful operating years the high ratio of paying patients may lead to a decrease in University subsidy, for example a decrease from 40% to 20%?

Mr. Vogt: This is possible.

Dr. Brill: If Dean's fund was kept separate, would not rest of system operate without it?

Mr. Vogt: This could happen. However, the amalgamation of funds allows Administrator's Office to give better service. Also, all billings are the same and Mr. Vogt believes that it is easier and better to try to get a budget increase for teaching cases in the Hospital than in Medical School. At the U.C.S.F. Hospital, a conference is held every two weeks with the residents by Mr. Vogt to determine what type of cases should be admitted to the Hospital. This works very well. This constitutes a "House Staff Advisory Committee." Dr. Longmire believes that the Chairman of the Departments should make decisions as to which should be admitted and which should be referred. Mr. Eastman stated that President Sproul at the budget meeting of last week commented that it would be desirable to have both schools alike in the method of handling teaching bed subsidy.

The committee expressed appreciation to Mr. Vogt for his presentation of the plan to this committee, particularly since his coming to U.C.L.A. necessitated his interrupting his vacation. Dr. Lawrence questioned whether or not the operation of the single rate structure would be bettered any by adding Medical School teaching bed subsidy to Hospital Administration? Dr. Longmire suggested that the proposal sounded reasonable and would relieve the House Staff of financial screening and would simplify the operation of the admitting system. He would like to try the plan.

Dr. Lawrence moved, Dr. Longmire seconded, and the Committee unanimously adopted the following resolution: "That the Hospital Executive Committee go on record as favoring a transfer of the 'Teaching Bed Fund' from the Medical School budget to the Hospital Administration budget for the fiscal year 1955-56, and that the Hospital Executive Committee closely observe the operation of this arrangement to ascertain how satisfactorily it provides adequate teaching clinical material to the various clinical services, and that this Committee be kept informed of disbursements and balances of these funds, as well as of the Hospital Administrator's support funds for subsidy of teaching beds. The Hospital Executive Committee reserves the right to request a separate and distinct teaching bed fund for subsequent fiscal years, if the proposed amalgamation of Medical School and Hospital Administration teaching bed subsidy does not function satisfactorily.

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It was stipulated that after the transfer of these funds to Hospital Administration that the integrity of the departmental distribution of the teaching bed funds be maintained and discretion as to the rate of their disbursement remain with the various clinical departments."

In the discussions, it was suggested and agreed that it would be desirable for the Hospital Executive Committee to be kept informed of the discount policies relating to admission of patients in the Hospital. It also was emphasized that all decisions in regard to which patients should be admitted to any clinical service were to be made by representatives of the clinical departments in charge of the service.

3. Reimbursement of University for Use of Facilities in Private Practice - Dr. Tallman.

Details of the Subcommittee Report: (Appendix A, attached)

- (1) Does not mean that all members of department reach the ceiling before any payment is made to the University.
- (2) This proposal is made to document and supplement the first resolution which was adopted on June 24, 1955. Dr. Brill asked if the department was to consider the actual costs, what is the role of the subcommittee detailed in paragraph "4, as submitted? The chief of the department would determine the amount of these special services. How would the department calculate all the rest?

It was moved and seconded that this addendum be added to the original resolution for presentation to the Chancellor. Dr. Madden said that Pathology would bill as a group, therefore with this spread of income probably Pathology will not go over the top. The question was raised as to whether or not a similar "group practice" arrangement in a department would mean that all in the group would have to get ceiling before any payment was made. It was stated that this situation might prevail. Any department may practice as a "group practice" and this could result in no "overage" until all members of the group had reached a ceiling income.

The resolution as detailed in Appendix A was carried unanimously.

4. Program for acid fast case finding.

Dr. Dowdy's proposal to waive fee for professional interpretation of X-Rays on Medical Center personnel was presented. (Appendix 7 forwarded for July 25 meeting). Hospital Administration requests \$1.50 for preparation of X-Ray. It was stated that if medical school employees are asked to pay for their X-Rays, and Hospital employees are given them free, that this would not encourage good relations. Dr. Dowdy urges request for emergency funds to allow X-Rays of all Medical School employees. Drs. Adams and Longmire ask that we attempt to get the Tuberculosis Association to pay for this. Dr. Ross asked to contact them to find out if they would be willing to defray actual cost of making the films. Dr. Brill moved that the various departments arrange to use departmental

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funds to pay cost of the X-Rays of persons in their departments, in the event that the Chancellor would not authorize Hospital Administration to absorb the costs of these X-Rays. Dr. Lawrence is unwilling to do this. No second and no vote. Dr. Lawrence urges that it be required only on a voluntary basis. No concrete solution to this problem.

5. Meals for "visiting" House Staff workers in U.C.L.A. Hospital.

Dr. Lawrence said that these House Officers get paid at V.A. and they can get meals there. No department funds to be available. If Chancellor makes funds available, fine - it would be a good public relations. It was questioned if the resident gets free meals at the V.A., therefore, is this only for interns or for residents as well? (Residents do buy all their food for \$28 per month at the V.A. However, if possible to provide meals at the U.C.L.A. Hospital, it would be good public relations.

6. Contract and Emergency Service - Mr. Eastman

The County proposes standard contract. Mr. Eastman was surprised at their generosity! However, the County must authorize admission of patients in advance. They say they can only do this when County Hospital is filled -- this may be interpreted broadly. Mr. Bruce and Mr. West have insisted that all cases should be accepted. Mr. Barr says that he feels this can be modified. The rate scale of allowances were cited. Mr. Eastman believes they will pay the 60% or more of our costs. They want to know how many patient days here for which they should request item of budget. The question was raised if we should quote this by clinical department service? Do we want other Counties also? S.F. County allotted \$100,000 for this type of contract and had contracts with all hospitals, but never sent a patient to any hospital. All determinations of medical indigency to be made by County and with their screening agents. Also, they reserve right to remove patients. They are concerned about holding patients too long and since they are teaching cases, adding too much laboratory costs, etc. They requested that a report of case and disposition be sent with bill. Mr. Bruce fears this will lead to a reflection on L.A. County Hospital, because of our "lush facility."

In order to proceed with this contract Hospital needs to know what to tell them in regard to patient days per year negotiated on an annual basis. Department chairmen requested to provide Mr. Eastman with figures as to the number of patient days per annum, they would like to contract for. Medicine says 25 beds. Dr. Adams says we should make a high estimate because we cannot exceed the estimate we made but can always take fewer cases. If U.C.L.A. Hospital contracts with anyone else for less than these rates, the lesser rate also will apply to County cases. Mr. Eastman is to meet with Dr. Sauer from Emergency Service of the L.A. City. Mr. Stull at first said he did not want to subsidize. Chancellor Allen approached him to add emergency funds, but he is unwilling to give approval without definite information as to how much money is needed. Mr. Eastman needs to know how much we are looking for in this contract? How many patients are desired in Emergency? Dr. Longmire believes he can take a large number - 25 visits per day would be over 9,000 per year. He suggests 12,000 cases per year, be planned for. This figure represented the one suggested by the group as a whole.

Meeting adjourned at 5:30 PM.

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