

Annual REPORT 1974

OAK RIDGE, TENNESSEE 37830, OCTOBER, 1970

727959

Serving The Medical Needs Of 8 Counties—

Building Better Area Health Care

One significant way to build better health care is to make available more health services to the people. There are two basic methods of achieving this goal: the traditional method of one institution expanding facilities and services to meet the area need or the more progressive method of coordinating existing services thereby precluding expensive duplication of function and facilities. The Oak Ridge Hospital has, by design, chosen the second alternative with the aim of providing more health services to the area at less relative cost.

The Oak Ridge Hospital is increasingly a primary provider of health services not only for the citizens who reside within the city limits but also for the people living in the several adjoining counties to Oak Ridge. In 1960, 54 per cent of the patients admitted to Oak Ridge Hospital were from outside the city. Today, however, 66 per cent of the patients come from outside the city. Thus, in a short span of 10 years, the Hospital's "trade area" has become broader in scope which means that it, as an institution, must broaden its perspective and coordinate existing health services in the area when possible.

This past year, a substantial amount of progress has been made in this connection. The Hospital has contracted with the Medical Division of Oak Ridge Associated Universities to provide various nuclear medicine services including organ scans for hospital

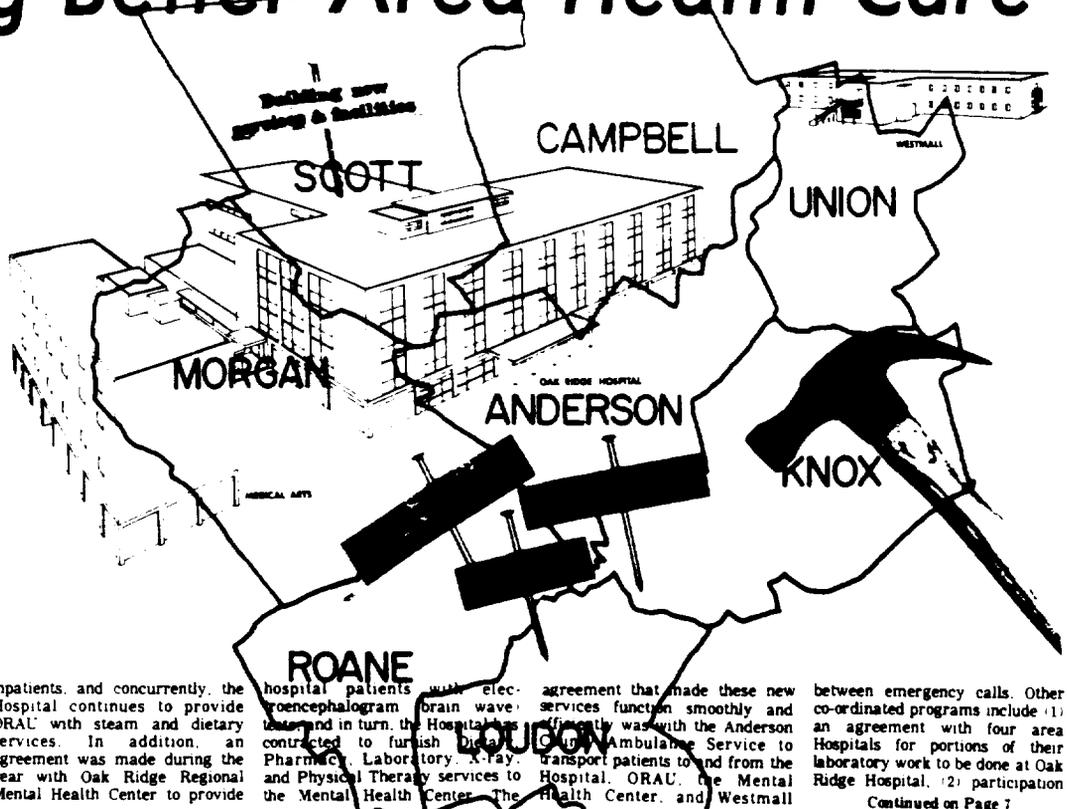
inpatients, and concurrently, the Hospital continues to provide ORAU with steam and dietary services. In addition, an agreement was made during the year with Oak Ridge Regional Mental Health Center to provide

hospital patients with electroencephalogram (brain wave) tests, and in turn, the Hospital has contracted to furnish Dietary, Pharmacy, Laboratory, X-Ray, and Physical Therapy services to the Mental Health Center. The

agreement that made these new services function smoothly and efficiently was with the Anderson Hospital. ORAU, the Mental Health Center, and Westfall

between emergency calls. Other co-ordinated programs include (1) an agreement with four area Hospitals for portions of their laboratory work to be done at Oak Ridge Hospital, (2) participation

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Progress In Personnel And Patient Relationship

Building improved relationships with both patients and personnel received increasing attention during recent years. In order for patients to receive the best of care, the proper atmosphere must exist for those who serve them. A "proper atmosphere" is one which is relatively free of tension, in which employees are treated and paid fairly, listened to, and are treated with dignity. Both personnel and patients are better off in this type of setting.

While we still have problems — as is inevitable in an organization of this size — continual and substantial progress has been made in improving employe relations.

In addition to living up to all written agreements going back to 1946, the personnel policy handbook has been re-written twice with benefit of consultation and recommendations from both line and supervisory hospital personnel.

In October 1967, the minimum rate of pay paid to the lowest paid employe at the Hospital was \$1.34 per hour. Today \$1.84 is the minimum. Other rates have increased in general proportionate to this. While everyone is glad to see employes paid these improved rates, they have increased

our costs and therefore our charges. The Hospital is living by its stated plan to provide a wage and salary program which is equal to or better than those in hospitals in the same trade area and generally across the State. In the same 3 year period mentioned above, many other

improvements have been effected: such as, additional Holiday established, vacation plan improved, group hospitalization improved, major medical expense program begun, group life insurance program begun with first \$2,500 of coverage paid by the Hospital, sick leave and shift differential improved, tax-sheltered annuity program begun, grievance procedure improved, monthly newsletter improved, Idea Mart (Suggestion) system begun, formal orientation program begun for new employes, and the savings sharing system is now operative in both the Housekeeping and Dietary Departments.

Your Hospital has worked diligently and fruitfully to be certain that its personnel relations are good and getting better.

From time to time, there will be problems, but mutual trust can solve these problems with capable people in the Hospital at all levels. Most of the personnel are proud of the Hospital, what it is doing, and the way it does it, and we believe that the community shares this pride to an increasing degree. Thus, building improved relationships with both patients and personnel accrues to the common good.



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REPOSITORY OAK RIDGE O.F.S
RECORDS HOLDING AREA
COLLECTION Dec. 1944-47

BOX No. B-6 of 17 BLDG. 2714-H

FOLDER B-117-7 #84-30

Executive Reports Emphasize Year Of Building

Many Groups Responsible For Year's Outstanding Progress

By Leslie S. Dale

Building has been in evidence in many ways at your hospital during 1970. Our community can take justifiable pride in the newly completed addition which makes possible improved and expanded services.

The Board of Trustees working with the Medical Staff, Hospital Staff, Gray Ladies, Pink Ladies, church representatives and interested citizens must always assure that we are building in the truest sense — improving the quality and quantity of health services to citizens in the area we serve. Becoming too concerned with the size of our building or the provision of all the same services furnished by other hospitals in the area will not necessarily assure that our objectives are met.

Significant building at the Oak Ridge Hospital has been achieved as all those involved have striven to concern themselves with matters which translate easily into health issues rather than following a routine of only working in or for a hospital. This approach directed toward concern for health care produced, during 1970, such improvements as: the new Coronary Care Unit, improved facilities and procedures in Admissions, cooperative efforts with others including Pharmacy and Laboratory services agreements with the Oak Ridge Regional Mental Health Center and a plan whereby Oak Ridge Associated Universities furnishes certain diagnostic work — such plans eliminate the need for costly duplication of effort and equipment, new automated laboratory equipment capable of completing a number of tests in seconds and an active doctor recruitment program to assure that the various practice specialties continue to be provided.

The hospital ended another successful financial year with income exceeding expenses. While funds available for expansion are less than last year, this performance is satisfactory in view of substantial increases in operating



Leslie S. Dale
Chairman Of Board

expenses and the number of improvements made during the past year.

Fulfilling our primary concern — providing the best possible patient care — was supported this year with an increase in salary scales which required an increase in daily charges. Your hospital has in practice several cost control procedures which have been acclaimed by reputable authorities in hospital administration. Plans are being made by administrators in other states for establishing incentive cost control measures which have already proved successful in Oak Ridge. Our objective will be to continue to keep costs to the patient as low as possible consistent with observing sound business practices and maintaining employee salaries at a level equal to or better than those paid in other area hospitals.

I extend to all those who have worked diligently for the hospital during the past year the appreciation of the Oak Ridge Hospital and the patients. We appreciate the interest of all of you and invite any questions or suggestions you may have to assist us in building for the future.

Committees Of Medical Staff Commended By Chief-Of-Staff

By T. Guy Fortney, M.D.

At the June meeting, the following officers were elected for the coming year: Dr. Earl Eversole, Vice Chief of Staff, Dr. Don Hartman, Secretary-Treasurer, Dr. Ernest Hendrix, Chief of Surgery, Dr. Willis Sensenbach, Chief of Medicine, Dr. Julian Ragan, Chief of Obstetrics, Dr. Dan Thomas, Chief of Pediatrics, Dr. John Crews, General Practice Representative, and Dr. Alex Carabia, Special Services Representative.

The new and the old Medical Board have given liberally of their time and talents in the last year. We have been closely involved with the Administration in planning for the present and the future and also in solving common hospital problems. There has been a common goal of making things happen rather than letting them happen. The results of all this has been a better hospital for the patients.

In listing some of the major happenings of the past year, the



T. Guy Fortney, M.D.
Chief-Of-Staff

Coronary Care Unit would come first. This was a joint effort of Staff and Administration, and the

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MEDICAL STAFF

(As of June 30, 1970)

VISITING STAFF

GENERAL PRACTICE

John P. Crews
T. Guy Fortney
Frank H. Genella
James Gillespie
Charles Gurney
William B. Holden
Joseph S. Lyon
S. J. Van Hoop

INTERNAL MEDICINE

John O. DePersio
Charles W. Sensenbach

PEDIATRICS

Gene Caldwell
Charles L. Campbell
William P. Hardy
Daniel M. Thomas

SURGERY

Robert A. Bigelow
Earl Eversole, Jr.
Ernest L. Hendrix
Henry B. Raley
David G. Stanley

OBSTETRICS & GYNECOLOGY

Robert E. DePersio
William W. Pugh
C. Julian Ragan

OPHTHALMOLOGY

Deater Davis
Raymond A. Johnson
E. Elliott Kaebnick

ORTHOPEDICS

Raul Spray
George M. Stevens
Joe E. Tittle

DERMATOLOGY

Don E. Hartman

UROLOGY

Avery P. King

PSYCHIATRY

James Greene
Hyman Rossman
Andrew Wachter
Joan B. Woods

PSYCHIATRY & NEUROLOGY

Samuel J. Reber

RADIOLOGY

George P. Ball
Charles Oeder

ANESTHESIOLOGY

Lowry L. Sheely
Margery Swift

PATHOLOGY

Alex G. Carabia
Edmund B. DeVeaga

MAJOR ORAL SURGERY

Bill B. Blavins

COURTESY STAFF

PEDIATRICS

Lewis F. Preston

MAJOR ORAL SURGERY

John E. Sullivan

DIETITRY & MINOR ORAL SURGERY

Charles B. Armstrong
Willard Burgess
Raymond L. Chambers
Charles W. Cross
Kenneth Frame
Joseph G. Green
James O. Johnson
Shirley M. Mills
Theodore B. Rogers
Vance P. Sharp
Henry D. Taylor
Nathan Wilson

INDUSTRIAL MEDICINE

F. W. Carr, K 25
T. A. Lincoln, K 101
Lynn F. Lockett, K 25
Charles R. Sullivan, Y 12

GENERAL PRACTICE

Archer W. Bishop
Henry Hedden
Samuel G. McNeely
John J. Smith
Nat. Sugarman
Robert E. Wilson

PSYCHIATRY

Greg Zanelli

CONSULTING STAFF

OBSTETRICS & GYNECOLOGY

Albert W. Diddle
Kenneth A. O'Connor

PATHOLOGY

Bill M. Nelson
Ralph M. Kinsley

PHYSICAL MEDICINE

Walter Jerome Lee

PLASTIC & RECONSTRUCTIVE SURGERY

Edmund B. Andrews
James B. Cox

PSYCHIATRY

George Leonard Gee

PUBLIC HEALTH

Parley M. Dings

NEUROLOGICAL SURGERY

W. E. Edson Smith
M. Frank Turney
Joe Beals

THORACIC SURGERY

Jacob T. Bradsher
Robert W. Newman
William K. Rogers
James L. Southworth
William K. Swann
David H. Waterman

RADIOLOGY

Eugene Abercrombie

INTERNAL MEDICINE

Gold A. Andrews, ORAU
C. Lowell Edwards, ORAU
Helen Woodcock Goswitz, ORAU

PEDIATRICS

Oliver W. Hill
Felix G. Lane

Hospital Made Up Of People Responsible For Its Success



Ralph Lillard, Associate Director, and Marshall Whisnant, Executive Director

by Marshall Whisnant
"Building," the theme for this report to you, fits the work and results of the Hospital this year.

The Building project was completed and occupied. This facility provided a new physical therapy department, new consolidated office area, new vending area, new conference room, and additional space for the laboratory, central sterile supply, medical records, administration, the Pink Placebo, and future dietary space. This addition was most welcome and puts the Hospital in good physical condition and should defer any additional major construction until the mid-1970s. The total project cost approximately \$550,000 and was financed with Hospital cash from funded depreciation and with bonds. Through careful money management and favorable interest rates, \$20,000 was earned in interest on the funds awaiting payment to the contractor.

Building this year included much more than the construction project. Many areas were effected and progress is evident in several areas through the purchase of major capital equipment. For example:

1. The Hospital purchased about 190 new all electric beds at a cost of nearly \$100,000. These new beds are more attractive in appearance, are more convenient for patients to adjust their own beds, and save a considerable amount of nursing time.
2. The Laboratory purchased, at a cost of \$40,000, automated testing equipment which allows each new patient to have a series of tests performed at a fraction of the previous cost per test.
3. The new four-bed Coronary Care Unit was built at a low cost of \$40,000. This Unit for heart patients is one of the most modern in this part of the country with the latest monitoring and other life-saving equipment. Specially trained nurses staff this Unit around the clock, seven days a week. This Unit was renovated by the Hospital's maintenance force and is quite attractive and home-like for patients.
4. The Dietary replaced the old food carts with new Untray carts at a cost of \$40,000. These carts accommodate a divided tray which maintains refrigeration on one side and

heating on the other. This helps keep hot foods hot and cold foods cold until served to the patients.

A new plan to reduce the loss in the Medical Arts Building over the next several years was instituted and, given time, these losses will be wiped out and this valuable facility will be able to operate on at least a break-even basis.

Westfall continues to operate at a loss despite increased charges. This facility must pay its own way in the near future either through a favorable balance of charges and costs or through some form of contributions to supplement operating losses. There is no debt on the facility, personnel are paid on the same scale as others working for the Hospital and patients receive good care.

The Hospital's cash position during the year was marginal at best. The money crunch that affected the economy came to hospitals too and slowed payments and increased accounts receivable. This occurred simultaneously with conversion of our accounting to the Shared Computer and its attendant difficulties.

Considerable effort was devoted to building continually improving relationships with personnel. Some of these accomplishments are cited in the first page story on personnel. Responsibilities to the Holston Annual Conference of The United Methodist Church were met both through the Conference Board of Health and Welfare Ministries and the Annual Conference itself.

The Hospital-Medical Staff relationships have been consistent with the "Building" theme. Dr. T. Guy Fortney has given considerable time and talent to his responsibility as Chief of Staff. The Hospital and Medical Staff have grown closer together which is helpful to patients, community, physicians, and the Hospital. Doctor recruitment efforts continue to be effective as more physicians are recruited to Oak Ridge to provide help for our present over worked Medical Staff.

We at the Hospital do not want anyone in this large community we serve to be sick, but we are appreciative for those who are ill who choose to come here for care. Not only are we grateful to the community, we appreciate the good and faithful efforts of the Board of Trustees, especially the Executive Committee and its Chairman Leslie S. Dale, the Gray Ladies, and the Pink Ladies.

Volunteer Units Tell 'Building Year' Activities

'Gray Ladies,' Red Cross Unit Served More Than 7200 Hours

By Mrs. T. J. Sworski, Chairman

The American Red Cross Gray Lady Service contributed a total of 7225 hours of volunteer service at the Oak Ridge Hospital of The Methodist Church during 1969, an 11.8 percent increase of hours over last year. There were 47 active Senior Gray Ladies.

The Junior Gray Ladies served a total of 772 hours. In addition to their serving with Senior Gray Ladies on week-ends, they worked on Pediatrics entertaining and feeding children.

Our Gray Ladies served as Hostesses during visiting hours and they deliver mail, write letters, deliver flowers, read, and shop for patients. We strive to supply magazines, paper-back books, and stationery for patients each day.

The Emergency Room Gray Lady works each day from 6:30

p.m. until 9:00 p.m. and longer if needed. She entertains children that parents may have to bring while another member of the family is being treated, helps out of town persons to make phone calls, directs them to convenient lodging and restaurants, and directs persons to other departments of the Hospital.

Various other services are extended, which are helpful to persons under stress at the time of an accident or emergency. Comic books, children's readers, coloring books, and crayons are supplied to keep children happy while waiting. The Emergency Room Service was started in February of 1969 and has proved to be a very successful project.

The Gray Ladies thank the entire Hospital Staff for the courtesy and wonderful cooperation shown them during the past year in the performance of their duty.



Mrs. T. J. Sworski (r., seated) chairman of Gray Ladies service, is pictured with Mrs. James Martin (l., standing) and Mrs. L. G. Green.

Mayor Bissell Sees Hospital As Economic Asset To City

By Mayor Al Bissell

In Oak Ridge we are proud of many things. Certainly one of these things is our Hospital. The Hospital serves an ever-enlarging circle of patients from outside of Oak Ridge. We think this is testimony to the high quality, comprehensive service available here at the Hospital. We are especially proud of the professional care rendered by our dedicated local physicians.

In addition to the Hospital as a fine health resource, it is important to the City and the area economically. Perhaps more than any other enterprise of its size in the area, the money collected by the Hospital for services rendered or funds received as donations is spent in the area from which it is collected. For example, the payroll of over \$2,500,000 paid to hospital workers was spent locally. Generally, supplies and services bought also come from this area.

Secondly, having this facility in Oak Ridge means that while visiting hospitalized patients one may very likely shop here in the city. This further enhances the economic value of the Hospital to the area generally.

Speaking both officially and personally I extend congratulations to the Hospital and its staff for this past year's successful operation. We extend our



Mayor Bissell

best wishes and pledge our support.

Chief-Of-Staff

Continued from Page 2

outcome is one of the finest units in this area. The Laboratory has added new equipment and offers new, up-to-date, procedures for better diagnosis and treatment of the patient. A new policy of father visitation with his baby has been instituted with favorable

'Gray Ladies' Executive Committee

- Chairman Mrs. T. J. Sworski
- Co-Chairman Mrs. R. P. Ward
- Secretary Mrs. Tom Young
- Treasurer Mrs. W. C. Willingham
- Co-Treasurer Mrs. Joseph Sawicki
- Jr. Gray Lady Advisor Mrs. J. P. Lawless
- Jr. Gray Lady Co-Advisor Mrs. Robert Santoro
- Director of Volunteers Mrs. J. B. Marcum

'Pink Ladies' Executive Committee

- Chairman Mrs. J. W. Rose
- Vice-Chairman Mrs. Paul Spray
- Treasurer Mrs. Ken Thurmond
- Recording Secretary Mrs. Campbell King
- Corresponding Secretary Mrs. T. A. Butler
- Westmall Chairman Mrs. Andrew Hutchins

'Pink Ladies' Organization Contributed Over 6500 Hours

By Mrs. J. W. Rose, Chairman
This fiscal year 75 members of the ORHWO, better known as the Pink Ladies, gave more than 6500 hours of their time to make this another successful year. More than 5000 was given in connection with the Gift Shop and 1500 in service at Westmall. In addition another 500 plus was given by our valuable 'helpers' assisting us in our various programs at Westmall.

This has been our most profitable year because we have been able to give, from the proceeds of the Gift Shop, gifts amounting to more than \$4000. These include an Infant Warmer, Physiological Monitor, Circ-O-Lectric bed, some furniture for the sun porch at Westmall and we have carpeted our new shop. We have an adequate bank balance, no large outstanding bills, our inventory has been substantially increased and we are at last in our beautiful new Gift Shop!

Our program at Westmall continues under the able leadership of Thelma Hutchins. Our weekly program of Bingo, Devotionals, Movies, Game Night, Arts and Crafts and Sunday School is still going strong.

The Gift Shop has grown and expanded. This year has been a busy and exciting one because it has been my pleasure and privilege to help plan and execute our new shop and see it develop into something I think we can all be

proud of. Planning the new shop was a committee composed of Ruby Ellis, Lois McCracken, Peggy Gregory, Judy Rosenvinge and yours truly. We worked hard to plan a shop that not only the Pink Ladies would enjoy but also the patients, guests and staff of the Hospital.

Business has increased since we moved. We are able to have more variety and more expensive, or better, gift items. Our increase in all areas is due, I think, partly to our location and in part to our being able to display things more effectively. For example, since we have been in our new location we have sold well over 200 flower arrangements.

The Gift Shop has been in operation since May 8, 1962. I thought it would be interesting to find out how much we have given in gifts to the Hospital and Westmall and with that in mind have done some research. In this period we have been able to contribute the sum of \$20,000. Of this approximately \$14,000 was given to the Hospital and approximately \$6000 at Westmall. The main purpose of our organization is service and seeing how we have grown and expanded our services makes it all somehow seem more worthwhile. Our program at Westmall, particularly, could not function without the Gift Shop and this is the area that may need us most. Certainly it is the most personal.



Mrs. J. W. Rose (right), chairman of the Pink Ladies service is pictured with Mrs. James R. Whitcomb in the new Pink Placebo.

Judge Magill Lauds Hospital On Progress, Service To Area

By Judge Joe Magill

Anderson County is proud to have the Oak Ridge Hospital within its borders. The Hospital serves not only Oak Ridge but a large portion of the rest of Anderson County as well as several other neighboring counties.

During the past year, the County Government has grown closer to the Hospital and its Medical Staff largely through the establishment and operation of the County Ambulance Service. We are pleased with this cooperative spirit and look forward to a continually improving ambulance service as well as a continually improving hospital.

Best wishes and congratulations are extended to the Hospital, its Trustees, Staff, Medical Staff, as well as its many Volunteers for having completed such a successful year of service not only to Anderson County but to the whole area.



Judge Magill

HILLMAN & KELLY
CERTIFIED PUBLIC ACCOUNTANTS
 309 PROFESSIONAL BUILDING
 BRISTOL, TENNESSEE 37620

SHELTON B. HILLMAN, C.P.A.
 WILLIAM E. KELLY, C.P.A.

September 29, 1970

We have examined the balance sheet of the Oak Ridge Hospital of the United Methodist Church, Inc., Oak Ridge, Tennessee, as of June 30, 1970, and the related statement of income and expense for the year then ended. This examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances. In our opinion, the accompanying balance sheet and related statement of income and expense present fairly the financial position of the Oak Ridge Hospital of the United Methodist Church, Inc., at June 30, 1970, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Respectfully submitted,

Hillman Kelly

HILLMAN & KELLY
 Certified Public Accountants

**Condensed Comparative Statements Of Income
 And Expense**

	Year Ended June 30, 1969	Year Ended June 30, 1970
REVENUE FROM SERVICES TO PATIENTS		
Routine services—medical and surgical	\$2,010,519.48	\$2,199,097.66
Special Services	<u>1,786,744.34</u>	<u>1,926,224.35</u>
Gross revenue from services to patients	<u>3,797,263.82</u>	<u>4,125,322.01</u>
Deductions from Revenue:		
Contractual adjustments	231,690.31	231,986.71
(Medicare, etc.)		3,181.99
Westmall discount		188,059.84
Provision for uncollectable receivables	<u>174,766.71</u>	<u>188,059.84</u>
	406,457.02	423,228.54
Less: Medicare reimbursement for prior years	<u>(116,055.00)</u>	<u>(57,635.00)</u>
Total deductions from revenue	<u>290,402.02</u>	<u>365,593.54</u>
Net revenue from services to patients	<u>3,506,861.80</u>	<u>3,759,728.47</u>
OTHER OPERATING REVENUE		
Medical Arts Building rentals	49,120.16	58,478.25
Rental quarters to employees	2,310.00	2,400.00
Revenue from meals	40,686.67	46,204.39
Revenue from telephone service	10,262.47	4,900.35
Revenue from Westmall	236,478.09	256,949.57
Miscellaneous revenue	1,207.09	1,458.90
Total other operating revenue	<u>340,064.48</u>	<u>370,391.46</u>
Net operating revenue	<u>3,846,926.28</u>	<u>4,130,119.93</u>
OPERATING EXPENSES		
Administration and general	567,665.41	712,241.54
Dietary	307,419.77	324,350.74
Household and property	323,407.30	369,866.52
Professional care of patients	<u>2,179,710.75</u>	<u>2,472,391.38</u>
Total operating expenses	<u>3,378,203.23</u>	<u>3,878,850.18</u>
Net operating income before depreciation	468,723.05	251,269.75
PROVISION FOR DEPRECIATION	<u>121,894.50</u>	<u>131,943.09</u>
Net operating income	346,828.55	119,326.66
OTHER REVENUE (Interest)	<u>3,662.75</u>	<u>2,124.80</u>
	350,491.30	121,451.46
OTHER EXPENSES (Interest, property taxes, and amortization of bond discount)	<u>37,566.57</u>	<u>37,040.64</u>
NET INCOME	<u>\$ 312,924.73</u>	<u>\$ 84,410.82</u>

CONDENSED COMPARATIVE BALANCE SHEETS

ASSETS

	June 30, 1969	June 30, 1970
GENERAL FUND		
Cash on hand and in bank	\$ 73,937.02	\$ 92,542.30
Accounts receivable (net)	656,857.79	823,952.77
Investments	94,152.93	
Inventories	41,918.23	40,648.90
Prepaid expenses	33,068.73	37,242.39
Unamortized bond issue and discount expense	<u>8,645.71</u>	<u>6,993.79</u>
Total assets — general fund	<u>908,580.41</u>	<u>1,001,380.15</u>
ENDOWMENT AND SPECIAL FUNDS		
Cash in bank	<u>5,643.17</u>	<u>7,949.77</u>
PLANT FUND		
Cash in bank	102,576.79	15,039.27
Investments	244,659.73	267,440.61
Unamortized bond issue and discount expense		17,863.61
Physical plant — at acquisition values	4,474,175.36	5,203,009.18
Less: Accumulated depreciation	<u>(884,708.39)</u>	<u>(1,005,394.38)</u>
Total assets — plant fund	<u>3,936,703.49</u>	<u>4,497,958.29</u>
TOTAL ASSETS — ALL FUNDS	<u>\$4,850,927.07</u>	<u>\$5,507,288.21</u>

LIABILITIES AND FUND BALANCES

	June 30, 1969	June 30, 1970
GENERAL FUND		
Accounts payable	\$ 54,825.02	\$ 142,409.70
Accrued salaries and wages	78,294.40	98,138.57
Taxes payable and miscellaneous payroll deductions	<u>11,860.17</u>	<u>11,819.24</u>
Total general fund liabilities	144,979.59	252,367.51
General fund balance	<u>763,600.82</u>	<u>749,012.64</u>
Total liabilities and fund balance — general fund	<u>908,580.41</u>	<u>1,001,380.15</u>
ENDOWMENT AND SPECIAL FUNDS		
Endowment and special funds balance	<u>5,643.17</u>	<u>7,949.77</u>
PLANT FUND		
Mortgage bonds payable	355,500.00	774,500.00
Special annuity	<u>7,871.48</u>	<u>7,108.93</u>
Total liabilities — plant fund	363,371.48	781,608.93
Plant fund balance	<u>3,573,332.01</u>	<u>3,716,349.36</u>
Total liabilities and fund balance plant fund	<u>3,936,703.49</u>	<u>4,497,958.29</u>
TOTAL LIABILITIES AND FUND BALANCES — ALL FUNDS	<u>\$4,850,927.07</u>	<u>\$5,507,288.21</u>

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Statement Of Changes In Fund Balances

	General Fund	Endowment and Special Funds	Plant Fund	Total
BALANCE				
June 30, 1969	\$763,600.82	\$5,643.17	\$3,573,332.01	\$4,342,576.00
ADDITIONS AND DEDUCTIONS				
Net Income	84,410.82			84,410.82
Inter-fund transfers	(97,339.64)	(151.16)	97,490.80	
Accounts receivable adjustments	(1,642.02)			(1,642.02)
Prior year adjustments	(17.34)			(17.34)
Earnings on investments		239.98	36,758.47	36,998.45
Gifts		2,552.00		2,552.00
Expenditures for designated purposes		(334.22)		(334.22)
Sales of equipment			8,768.08	8,768.08
BALANCE				
June 30, 1970	<u>\$749,012.64</u>	<u>\$7,949.77</u>	<u>\$3,716,349.36</u>	<u>\$4,473,311.77</u>

Hillman & Kelly Certified Public Accountants

Statement Of Income And Expense - Westmall

	June 30, 1969	June 30, 1970
INCOME	\$ 236,478.09	\$ 256,949.57
EXPENSES		
Salaries and wages	\$ 141,107.70	\$ 160,412.59
Supplies	5,233.45	6,719.47
Food service	62,353.35	63,870.45
Laundry	7,288.91	7,578.21
Services	387.13	646.70
Utilities	8,556.20	6,693.50
Maintenance and repair	2,663.46	1,537.67
Insurance	1,260.70	1,713.17
Employee benefits	12,723.16	15,115.49
Administrative cost transfer	6,000.00	6,000.00
Travel	158.78	391.75
Depreciation	7,683.24	7,688.56
Total expenses	<u>\$ 255,416.08</u>	<u>\$ 278,367.56</u>
EXCESS OF EXPENSES OVER INCOME	<u>(\$ 18,937.99)</u>	<u>(\$ 21,417.99)</u>

Hillman & Kelly Certified Public Accountants

Condensed Comparative Percentage Statement Of Income And Expense

	Year Ended June 30, 1969	Year Ended June 30, 1970
INCOME		
Revenue from patients	93.4%	91.0%
Revenue from other sources	<u>6.6</u>	<u>9.0</u>
Total revenue	<u>100.0</u>	<u>100.0</u>
EXPENSES		
Salaries and wages	62.2	64.8
Services, materials and supplies	28.6	29.1
Other expense (depreciation, interest, etc.)	<u>5.1</u>	<u>4.0</u>
Total expenses	<u>95.9</u>	<u>97.9</u>
NET INCOME	<u>4.1%</u>	<u>2.1%</u>

Hillman & Kelly Certified Public Accountants

Statement Of Income And Expense - Medical Arts Building

	Year Ended June 30, 1969	Year Ended June 30, 1970
INCOME	\$ 49,120.16	\$ 58,478.25
EXPENSES		
Salaries and wages	\$ 15,919.50	\$ 16,262.57
Supplies	677.13	754.11
Maintenance and repair	4,018.98	3,410.45
Utilities	10,780.71	9,713.49
Services	1,923.84	2,082.29
Administration cost transfer	2,706.00	2,706.00
Insurance	180.10	244.73
Employee benefits	1,817.60	2,159.39
Depreciation	13,932.60	14,109.84
Taxes	13,516.72	14,476.88
Interest	21,823.21	20,376.93
Amortization of bond premium and discount	1,736.70	1,651.92
Less space cost transfer	<u>(12,820.94)</u>	<u>(12,508.33)</u>
Total expenses	<u>76,212.15</u>	<u>75,439.27</u>
EXCESS OF EXPENSES OVER INCOME	<u>(\$ 27,091.99)</u>	<u>(\$ 16,961.02)</u>

Hillman & Kelly Certified Public Accountants

60 Resident - Patients At Westmall Nursing Home

By Frank Underwood

Westmall, a department of the Oak Ridge Hospital is licensed by the State Department of Public Health as a Medical Class 60-bed Nursing Home and is approved by the Joint Commission on Accreditation of Hospitals. It is also a member of the Tennessee Nursing Home Association, the American Nursing Home Association, and the Tennessee Hospital Association.

The first resident-patient was admitted on December 2, 1964, and is one of several resident-patients who regularly attend Tuesday's Senior Citizens Club meetings.

Westmall's census and total patient days of care remain at a high level and compare favorably with the previous fiscal year. This bears out our belief that Westmall is meeting one of the real health care needs in the Oak Ridge area.

The financial status of Westmall remains a matter of great concern and in this connection a concentrated effort has been and continues to be put forth to make this facility self-sustaining. The present trend of inflation is felt at Westmall as it is with most every organization, but regardless of this, there is no slackening of patient care. Training programs are in process to increase the quality and efficiency of the care rendered to patients.

A number of improvements in the plant have been accomplished during the year. The most noticeable improvement is the repainting of public areas and some of the patient rooms. New food service equipment was installed during the year. New redwood furniture was added to the second floor sun deck, and a new sound system for the movie projector was installed. Both of these items were gifts to Westmall.

The well planned activities, programs, arts-crafts classes, and the special events result in many happy hours for the resident-patients. Additionally, we now have two color TV sets provided by



Mrs. Hazel Chase, clerk-attendant at Westmall reads item of interest to resident, Mr. Albert A. Addison, Sr.



Miss Edna A. Gregory receives helping hands from Frank Underwood, manager of Westmall (left) and Lloyd N. Williams, personnel director.

the family of a former patient and by a friend on the Medical Staff.

Finally, sincere appreciation is extended to the many individuals

and groups for their valuable contributions of time, talents, and materials in making Westmall something more than "just another

nursing home." A special debt of thanks goes to the "Pink Lady" volunteers and to the Medical Staff for their help and understanding of

the elderly. Also, our friend, "The Oak Ridger," can not be overlooked in our thoughts of appreciation.



Last year, 20,927 X-ray examinations were given, requiring the skill of many people one of whom was Mrs. Sharon Marsh, shown here.



Mrs. Sandra Johnson and Mr. Tom Thomas are busy performing one of the 175,489 laboratory tests done during the year.

The Oak Ridge Hospital is:

Approved by:

The Joint Commission On Accreditation Of Hospitals

Member of:

The American Hospital Association

Tennessee Hospital Association

Knoxville Area Hospital Council

Affiliated with:

The Holston Annual Conference Of The United Methodist Church

Blue Cross And Blue Shield Of Tennessee

Medic

The George Washington University

East Tennessee State University

Tennessee Wesleyan College

Hiwassee College

The State Of Tennessee And Oak Ridge School System

(School Of Practical Nursing)

Licensed by:

The State Of Tennessee

Capacity:

General Hospital: 220 Beds, 20 Bassinets Westmall 60 Beds

Organizational Philosophy:

- A. The Golden Rule serving as the basis of all Hospital activity.
- B. Maintenance of high ethical standards in internal and external relationships.
- C. Decisions based on facts—objectively considered.
- D. The Hospital kept in adjustment with the forces at work in its environment.
- E. People judged on the basis of their performance, not on nationality, race, personality, education, or personal traits and skills.
- F. The Hospital administered with a sense of urgency.
- G. Each department or cost center administered on the entrepreneur concept.

Organizational Objectives:

- A. It is a religious institution, with an atmosphere of compassion and conscientious concern, dedicated to the service of mankind.
- B. It is an institution providing efficient, top quality care, continuously adjusting to medical advances with the welfare of its patients governing all matters.
- C. It is a financially sound institution operating for the public on a not-for-profit basis.
- D. It is an institution directed toward creating and strengthening mutual understanding, good will, and respect in all of its relationships both internal and external.

People Of ORHMC Play Many Important Roles



Mrs. Stella Belitz, Nursing Supervisor, assisting one of the 17,761 patients who received emergency care last year.



One Houskeeping function is patching and mending linens as demonstrated by Mrs. Marguerite Carr, Senior Linen Room Attendant.



Dietary personnel prepared 335,000 nourishing and delicious meals last year. Shown above is Mr. Lee Roy Windham, a 21-year employe.



Mrs. Edna Acuff and Mr. Clint Draper shown helping one of the 8,060 patients admitted last year with their hospitalization insurance

1227869

ADMINISTRATIVE STAFF

As of October, 1970

- Executive Director
Marshall Whusnant
- Associate Director
Ralph Lillard
- Assistant Director for Patient Care Services
Shirley Blevins
- Chief Pharmacist
Hyman Africk
- Medical Record Librarian
Sylvia Alberti
- Director, Department of Radiology
Robert P. Ball, M.D.
- Director, Department of Pathology
Alex G. Carabia, M.D.
- Chief Medical Technologist
W. Michael Clark
- Executive Housekeeper
Nelle Harris
- Food Service Manager
Kenneth Hatchett
- Supt., Building and Grounds
Edwin R. Inman
- Office Manager
Charles Latimer
- Admissions Officer
Dorothy Margrave
- Physical Therapist
G. Donald Russell
- Industrial Engineer
James Self
- Purchasing Agent
Robert E. Simpson
- Manager, Westmall
F. J. Underwood
- Controller
E. D. Van Hoozer
- Education Director
Sue White
- Personnel Director
Lloyd N. Williams
- Senior Accountant
Charles H. Willis
- Chief X-ray Technician
Jo Wilson

NURSING OFFICE SUPERVISION

- Virginia Atkisson
- Stella Belitz
- Pauline Hahn
- Mariam Hallau
- Virginia Smith

NURSING AREA SUPERVISION

- Nell Brandenburg
- Irene Brown
- Pauline Cagle
- Helen Greer
- Lucille Huneycutt
- Mary Jane Lindner
- Helen McDaniel
- Allis McLaughlin
- Carrne McKelvey
- Jo Mixon
- Christine Nance
- Martha O'Bleness
- Pauline Ryan
- Margaret Smith
- Evelyn Wheeler

Building Better

CONTINUED FROM PAGE 1

with Daniel Arthur Rehabilitation Center in connection with the Regional Medical Stroke Program, and (3) the Shared Hospital Accounting System, to name but three.

In summary, building new health services by coordinating facilities and functions is a very important aspect in the overall area health care picture, because it (1) can make available services that may not have been available otherwise (because of money limitations); and (2) it precludes costly duplication of function. Other services are being studied at the present time, in an effort to attain the goal of providing more health services to the area at less relative cost.



Mr. Ed Inman, Mr. Delis Richards, and Mr. Raymond Dunlap of the Maintenance Staff provide valuable "back up support" for those on the team who give direct patient care.



Members of the Central Supply team (left to right) Mrs. Lena Taylor, Mrs. Era Nail, Mrs. Norma Starken, and Mrs. Irene Brown, Head Nurse, are shown preparing a surgical pack for one of the 4,762 operations during the year.



Mr. Hy Africk and Mrs. Gail Braden at work in the Pharmacy where 154,366 prescriptions were filled during the year.



Mrs. Mary Martin and Mr. Wayne Rogers using some of the new equipment in their beautiful, new Physical Therapy Department.

Building Sound Financial Operation—70's Aim

BOARD OF TRUSTEES

As of June 30, 1970

Bishop L. Scott Allen
Mr. Ray C. Armstrong
Mr. Frank W. Bailes
Mr. A. Paul Bass
Rev. Paul E. Brown
Mr. W. H. Carr
Rev. William J. Carter
Mr. Leslie Dale
Mr. H. S. DeLozier
Rev. Charles Dye
Mr. P. C. Fourney
Mr. W. Keith Funkhouser
Mr. Carl Hagaman, Sr.
Mr. J. P. Hess
Mr. Thomas A. Hill
Mrs. Jack Holt
Mr. J. L. Liverman
Mrs. R. Coin Mason
Rev. W. M. Seymour
Mr. Frank E. Smith
Mr. K. W. Sommerfeld
Mr. H. L. Sparkman
Mrs. E. J. Spitzer
Mr. Thomas L. Yount

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Rev. Thomas F. Chilcote
Mr. George A. Cristy
Rev. Kyle Tomlinson
Rev. Kenneth Verran
Dr. T. Guy Fortney
Judge Joe Magill
Mr. Marshall Whisnant, Jr.
Rev. Ben St. Clair

Legal Counsel

Mr. Jackson C. Kramer

Officers

Chairman Mr. Leslie Dale
Vice Chairman
Mr. K. W. Sommerfeld
Secretary Mrs. Grace Holt
Treasurer
Mr. H. S. DeLozier

Executive Committee

Mr. Leslie Dale
Mr. K. W. Sommerfeld
Mrs. Grace Holt
Mr. H. S. DeLozier
Rev. Paul Brown
Mr. Carl Hagaman, Sr.
Mr. W. H. Carr
Mr. Ray C. Armstrong
Mr. H. L. Sparkman
Dr. T. Guy Fortney
Mr. Marshall Whisnant, Jr.

Nominating Committee

Mrs. Peggy Spitzer
Mr. J. L. Liverman
Mr. Tom Hill
Mr. W. H. Carr
Mr. P. C. Fourney

Finance Committee

Mr. H. S. DeLozier, Chairman
Mr. A. Paul Bass
Mr. Tom Yount

Joint Conference Committee

Mr. K. W. Sommerfeld, Co-Chairman
Mr. Tom Hill
Mr. J. L. Liverman
Mr. Leslie Dale

Bylaws & Charter Committee

Mr. W. H. Carr, Chairman
Mrs. Grace Holt
Mr. K. W. Sommerfeld
Mr. Tom Yount
Rev. Thomas Chilcote

Policy Study Committee

Mr. W. Keith Funkhouser, Chairman
Mr. Ray C. Armstrong
Mr. P. C. Fourney

Financial Objective Not Met For FY-70

One of the primary concerns of society today is the rapid rise in Hospital costs. Being a part of this society and a vital member of the public, this upward spiral is also of great concern to us at Oak Ridge Hospital. Many citizens concern themselves with these costs only when they have to pay them. The Hospital staff concerns itself with them daily. In this connection, considerable effort went into controlling costs last year.

Four principal programs received the most attention in cost control including, (1) better management of the cash flow, (2) co-ordinating existing facilities in the community thereby preventing costly duplication of function and equipment, (3) redefining financial goals by dividing the corporation into 28 separate cost centers, and (4) management engineering.

Perhaps the most important method of cost containment has been through the management engineering techniques of methods improvement, systems analysis, work measurement, and employee group incentive plans termed the "shared-savings system." This incentive system provides the opportunity for personnel to increase personal earnings while reducing overall operating costs for their department. The employees work toward standards for labor cost, supplies cost, and quality, and share any savings made through increased productivity and by using a minimum amount of supplies. A direct payment is made for improvements in quality.

The Dietary and Housekeeping departments are currently participating in this program. Other departments are to be included as standards are established. This assures personnel of having



The Executive Committee of the Board of Trustees is composed of nine voting members and meets monthly to discharge business of the Hospital between Board of Trustee meetings. Seated from left to right are: Dr. Paul Brown, Mrs. Jack Holt, Mr. Leslie S. Dale, Mr. Carl Hagaman Sr. Standing are: Mr. Ralph Lillard, Associate Director; Mr. H. S. DeLozier, Dr. T. Guy Fortney, Mr. E. D. Van Hoozer, Hospital Controller; Mr. W. Keith Funkhouser, Mr. Ray C. Armstrong, and Mr. Marshall Whisnant, Executive Director.

neither too much nor too little to accomplish on the job. It assures the patient of the same thing.

Equally as important as cost containment is the fact that the Hospital must realize a margin of revenue over expenses in order to plan adequately, pay its personnel fairly, and to keep pace with rapid advancements being made today in health care technology. In this regard, the immediate goal is for the Hospital to realize a five per cent return on the total corporate

investment. Through proper financial planning and practices, the Hospital was able to meet all expenses for the 1970 fiscal year as they came due, and realized \$84,411 as a "provision for progress." This \$84,411 represents only 1.6 per cent return on the total corporate investment, considerably short of the established goal.

In summary, there are two ways to increase the Hospital's "provision for progress" to a satisfactory level or 5 per cent

return on investment: (1) Increase charges to patients, and (2) reduce operating costs. The current emphasis toward building a sound financial operation at Oak Ridge Hospital is on cost reduction wherever possible but consistent with quality. However, it is not likely that cost reduction can provide all funds needed to continue the present rate of progress, although the Hospital expects to see at least some leveling of increases compared to recent years.

Doctor Recruitment Brings Results

Acute But Difficult Need Is Challenge

Over the two years, the Medical Staff and the Hospital Administration have made a concentrated effort to meet an acute but difficult community need — recruiting physicians to Oak Ridge.

The results of this effort have been significant, but the task is not yet complete. The greatest, single physician need still remaining is for an additional Ear, Nose, and Throat specialist.

In last year's Annual Report, it was emphasized that an equally acute need was in the area of general practice. Since that time, Dr. Richard Dew has visited our community twice which resulted in his decision to come to Oak Ridge to enter practice with Dr. Guy Fortney, starting November 1, 1970, after finishing his residency in "family practice" in Wichita, Kansas.

Additionally, a specialist in internal medicine has indicated that he is very interested in moving to Oak Ridge.

The tangible evidence of this group effort is that the following new physicians have come to Oak Ridge within the past two years and have been granted Visiting privileges on the Hospital Staff: Dr. Elliott Kaebnick,



The Medical Board is an action committee and meets monthly to discuss Hospital-Medical Staff plans, problems, and committee activities. Seated from left to right are: Dr. T. Guy Fortney, Chief of Staff; Mr. Marshall Whisnant, Executive Director; Dr. Alex G. Carabia, Representing Special Services; Dr. Dan Thomas, Chief of Pediatrics; Dr. Willis Sensenbach, Chief of Medicine; Miss Shirley Blevins, Assistant Director for Patient Care Services; and Dr. John Crews, Representing the General Practitioners. Not pictured are Dr. Earl Eversole, Vice Chief of Staff; Dr. Julian Ragan, Chief of OB-Gyn

Ophthalmology: Dr. David Stanley, General Surgery: Dr. Donald Hartman, Dermatology: Dr. Charles Campbell, Pediatrics: Dr. Joan Woods, Psychiatry, and Dr. Samuel Pieper, Neurology & Psychiatry

Dr. Guy Fortney, Chief of the Hospital Medical Staff, commenting on the newer members of the Staff, stated that, "We are real pleased with the excellent caliber of all our new Staff members and feel we're very fortunate to have

them in the community." On behalf of the Hospital Staff, Dr. Fortney urged all citizens in the area to join with the Medical community in attempting to interest and recruit new physicians to Oak Ridge.