

reasons why I should. The hospital households of this country have enough debts lying around loose to be all the better for a little ridding up. Many of those responsible for this state of things undoubtedly are full of good intentions, but somebody, who spoke as if he knew, said that hell was full of those sorts of people.

Anyone who does so, either in regard to receipts and expenditures or the number of cases treated, will find that his task is by no means so simple as it looks. They will find that frequently no attempt is made to separate income from principal, that in the detailed account of maintenance the milk and the coal, for instance, are for some inscrutable reason occasionally lumped together. The milk, I conclude, was not used to put the fires out with, nor was it probably used as fuel, but you will readily see that this one item going astray precludes you from ascertaining, from this report, at least, either the cost of lighting and heating or the food supply annually or per capita. In some cases interest on mortgages, water rents, insurance and other fixed charges, sometimes even including lighting, heating and salaries are not included in the estimate of expenses per capita. This, of course, makes the expenditures of some hospitals appear excessive, whilst others appear abnormally low.

In other reports the superintendent's and the treasurer's accounts I have known to differ by as much as \$3,000, and the superintendent's fiscal year may begin at one time and the treasurer's at another, whilst convalescent homes and branches of the same institution may arrange for yet a third.

It is true that those institutions which receive State aid are required by the State to return an itemized account of their cash payments divided as the State directs. In Pennsylvania, however, the State will only accept a statement of bills actually paid, and not those incurred. This statement obviously does not represent the expenses of those institutions which habitually run on a deficit, and most of them do. The State Auditor told me that it did this because it found that the hospital authorities made their deficit appear larger (and the consequent necessity for State aid, therefore, appeared greater than it actually was) by running up large bills for maintenance when they should rather be charged up to permanent improvements, for when the State makes a grant for building it requires that the sum allowed should be employed for building, and if for maintenance that it should not be used for other purposes. However, I need hardly say that there are several simple, but effective ways of getting around this.

An article on hospital finance, as shown in their printed reports published as an editorial in the Philadelphia Medical Journal of June 10th, 1898, written by an expert accountant, who had

gone into these things very thoroughly, would repay perusal for anyone interested in these matters. So, also, would a little book, "Municipal Government," written by the comptroller of New York, Bird S. Coler. He commences one of his chapters by saying, "The subsidy system probably finds its greatest abuse in medical charities," and I should say that his statements throughout were exceedingly conservative.

The reason for falsifying or, if you prefer it, rendering inaccurate accounts of the number of patients treated, is that the claims put forth by the various hospitals for State aid are ostensibly based on the amount of work done, viz., the amount of free treatment of ward or dispensary patients, "the sick poor." It seems to me hardly worth the while, however, to do this, for, as a matter of fact, the hospital which has the most political pull gets the largest grant and the quality and quantity of the work done has mighty little to do with it. I will add, for the benefit of our foreign visitors; though hardly, I fear, to their edification, that this is an accepted and recognized fact, and has to be recognized as adding to the difficulty of honest administration of hospitals in this country. It always has to be allowed for, and is a handicap which often crops out in unexpected moments. I know one hospital in which, in order to add to the ostensible number of cases treated, the simple expedient is followed of counting, for instance, the new patients as one visit.

In Philadelphia the supply of beds is in excess of the demand. This probably applies also to other cities. New charters have been granted quite irrespective of the need for the institutions, which are given not only State charters, but State money. Such money often is given to private hospitals, which are used for special classes of cases already amply provided for, such as gynaecological, and these hospitals sometimes are closed for three months in the summer—the patients are not expected to get sick when the proprietors are out of town—and which do practically no dispensary or teaching work. The reasons for the opening of these hospitals are too evident even to the casual observer.

On the other hand, State aid is refused or very much cut down to hospitals existing in poor sections of the city which treat large numbers of outpatients. I asked the State Board of Charities why this was done, and the answer was a somewhat pompous, "We do not approve of dispensaries." I asked, "Why do you not approve?" and the answer was, "Because the doctors do not approve." It would thereby seem that hospitals or dispensaries were established solely for the benefit of the medical profession.

However, it is my belief that the greater number of physicians get too much out of their dispensary practice to disapprove it, and those who

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