

FORM NO. 1

OBSERVATION OF PURCHASING IN THE		DRUG STORE
Date	Time spent in actual buying, or in consultation with the supplier's representative.	
Source of Supply	Is this a regular source?	
How did the buying?	Actual buying time	
How many items were bought?	Other time (describe)	
Of these, how many were:	IF THE PURCHASE WAS MADE BY TELEPHONE:	
a. New items	Who originated the call?	
b. Replacement items	IF PURCHASE MADE BY PERSONAL CONTACT:	
Nature of the Operations Involved:	How long did the salesman wait for attention?	
	IF THE PURCHASE WAS MADE BY MAIL:	
	How much time was spent in actually preparing and mailing the order?	
Remarks		
Checker	National Drug Store Survey	

FORM NO. 2

RECEIVING, PRICING, & SHIP REPLACEMENT IN THE		DRUG STORE
Date	Time spent	
Clerk Observed	In Receiving Goods	
Number of wholesale packages received	In Pricing Goods	
Number of pieces picked	In Shelving Goods	
Number of pieces shelved	Other time (describe)	
Nature of operations observed:	Total time	
	Remarks	
Checker	National Drug Store Survey	

FORM NO. 3

PAYMENT TO SUPPLIERS OF THE		DRUG STORE
Date	Details of Payment	
	To whom paid	
Time spent in making pay?	\$ By Check \$ in Cash	
Nature of Operations Involved:		
Remarks		
Checker	National Drug Store Survey	

FORM NO. 4

OBSERVATION OF DELIVERY ACTIVITIES IN		DRUG STORE
Date	Remarks	
Equipment Used		
Car fare provided		
Number of Delivery Stops		
Elapsed Time	Hrs Min Sec	
Hour of departure		
Nature of Operations Observed:		
Name of Delivery Clerk		
Checker	National Drug Store Survey	

FORM NO. 5

Customer No.	Male	Female	Age
Salesperson			
Article asked for			
Brand specified			
Article sold			
Brand sold			
	(Check Yes or No)		
Did the clerk persuade or advise?	Yes	No	
Was the sale made at a busy time?			
Was the article easily procured?			
Was it on special sale?			
Was it processed at time of sale?			
Was it packaged?			
Was it delivered?			
Value of the Sale \$			
Selling time?	Min	Sec	
Wrapping time?			
Time spent in receiving payment?			
Total time consumed in sale?			
Remarks:			
Store	Date	Checker	

Hospital Management¹

Some Economic Issues in Hospital Management

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HOSPITALS are in many respects typical of all business enterprise. Procedures of scientific management in a hospital are much the same as those in a hotel or other place of business. But hospitals are also in some respects different from other business. The differences do not appear in the detailed procedures, but in those phases of scientific management concerned with the "policies" of the institution as a whole. It is important to recognize certain economic aspects of hospital service if the public is to understand the problems confronting the directors of hospitals, and if the hospital administrators themselves are to direct their institutions to the best advantage.

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Hospital services must be sharply differentiated economically from certain other types of medical care rendered in the hospital buildings. Hospital care itself includes several distinct services for which the patients pay separate fees. The distinctive hospital product is the service usually referred to as "board and room," which includes the use of a bed, three meals per day, and, within certain limits, the ministrations of graduate or student nurses. It is the board-and-room service for which a patient pays his room rate of \$5.00 or \$8.00 per day. Other important products of a hospital are X-ray services, laboratory services, and other diagnostic or therapeutic procedures. An increasing number of institutions are also providing office care to patients who are "up and about." Each hospital service is usually charged for as a separate hospital product, if charged for at all.

But there are also other economic and professional activities in the hospital which are not ordinarily under the hospital's direct control. The services of attending physicians and surgeons are not usually considered as hospital products. Doctors have been regarded as conducting their own businesses when dealing with their private patients in hospitals. They form their business relationships with such patients with little or no knowl-

¹Papers presented before a meeting of the Taylor Society, New York, December 3, 1931.

edge or supervision on the part of the hospital superintendent. Likewise, when additional nursing service beyond that included in "board and room" is required, the "special nurse" and the patient effect financial dealings independent of the hospital authorities. The hospital building, therefore, may serve to house three independent business entities—that of the hospital, the doctor and the special nurse. Each separate professional service is purchased and paid for independently by the patient. Only the "hospital" services, as such, come under the direct supervision and financial control of the superintendent.¹

At one time all financial problems of services in the hospitals were controlled by the institutions themselves. Only non-paying patients were accepted, most of them being admitted for isolation rather than to improve professional care. But the hospitals have changed from hospices for the poor or hopelessly sick; they are now workshops for carrying on the highest type of professional activity. When private self-supporting patients were first admitted to hospitals, they were introduced as guests by the physicians of the community. The hospitals accepted these paying patients as a courtesy to the medical staff who attended the free patients. The policy of selling as well as donating hospital services was thus entered upon by inviting the medical and nursing professions to attend their paying patients within the institutions. The hospitals' financial dealings with private patients, originally few in number, were, of course, limited to the services rendered by the hospital personnel and facilities. At the present time the paying patients of private physicians have become the most important source of the revenue for the hospitals of the United States.

The independence of the hospital, the physician and the special nurse, each charging separate fees, at times results in sharp competition for a share of the patient's resources, for the patient's ability to pay a certain doctor's fee may be directly influenced by his length of stay or type of accommodations in the hospital. Likewise, the substantial fees required for special-nursing service may make exceedingly difficult the