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## City Club of Portland Bulletin vol. 29, no. 10 (1948-7-9)

City Club of Portland (Portland, Or.)

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### Recommended Citation

City Club of Portland (Portland, Or.), "City Club of Portland Bulletin vol. 29, no. 10 (1948-7-9)" (1948). *City Club of Portland*. 132.

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PORTLAND  
*City Club*  
BULLETIN

Crystal Room » Benson Hotel  
FRIDAY . . . 12:10 P.M.

PORTLAND, OREGON — Vol. 29, No. 10 — JULY 9, 1948

Mr. Burdette W. Erickson,  
The First National Bank,  
Portland 8, Oregon

IN THIS ISSUE . . .

## HOSPITAL FACILITIES IN THE PORTLAND AREA

A City Club report prepared by a committee composed of the following: Louis Berelson, L. G. Covington, John D. Galey, Neil Malarkey, Dr. Forrest E. Rieke, and Eugene D. Farley, *Chairman*, under the Public Health Section, Dr. William Levin, *Section Chairman*.

SPEAKER TODAY . . .

### CARLTON SAVAGE

POLICY PLANNING STAFF, STATE DEPARTMENT

*About the Speaker . . .* Carlton Savage, native Oregonian, veteran of 20 years in the State Department, is Executive Secretary for the group of seven men who constitute Secretary Marshall's brain trust. It is the Policy Planning Staff that formulates foreign policy.

No topic has been assigned to Mr. Savage and he will speak on the subject that he regards as most timely and most interesting to the City Club. He is a friend of the City Club, well known to many members, and he will do his best to answer questions.

### ELECTED TO MEMBERSHIP

CECIL W. POSEY, *Executive Secretary*, Oregon Education Association.  
Proposed by Amo DeBernardis.

LEWIS G. PRICHARD, *Research Department*, First National Bank.  
Proposed by Volney Pratt.

NEXT WEEK . . . DR. HERBERT J. MILLER, *Research Director to the Commission on Organization of the Executive Branch of the Government*.

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*"To inform its members and the community in public matters and to arouse in them a realization of the obligations of citizenship."*



## HOSPITAL FACILITIES IN THE PORTLAND AREA

To the Board of Governors of the City Club of Portland:

### I. INTRODUCTION

The Hospital Committee was organized in May, 1946, for the purpose of studying the hospital facilities in the Portland Area. The problems giving rise to the study were the general inadequacy of hospital facilities as indicated by the crowded conditions existing in hospitals; a suspected lack of hospital facilities for the treatment and care of patients in certain special categories, such as the aged, the convalescent, children suffering from rheumatic fever, emergency victims, alcoholics, patients having contagious diseases, mental cases, and the like; an apparent shortage of trained hospital personnel, especially nurses; and the greatly increased cost of hospital care.

To find the answers to these problems and the indicated remedies, if such exist, the Committee interviewed or consulted representatives of (1) the Portland Council of Hospitals; (2) the administrative bodies of the leading Portland hospitals and of the hospitals of several other cities; (3) the Blue Cross and the Oregon Physicians' Service; (4) the Oregon State Nurses Association; (5) the Department of Nursing, University of Oregon Medical School; (6) the City of Portland Health Bureau; (7) the Hospital Survey and Licensing Division of the Oregon State Board of Health; (8) sources having knowledge or information concerning population trends in Portland, including the Chamber of Commerce, the Portland Traction Company, Portland Gas and Coke Company, *The Oregonian*, *The Oregon Daily Journal*, and the City of Portland Water Bureau; (9) the C.I.O. and the A.F. of L.; (10) The Salvation Army; (11) the Multnomah County Tax Assessor's Office; and (12) the District Attorney's office. Also consulted were various publications, such as pertinent issues of the Journal of the American Medical Association, and of the American Hospital Association, local newspaper articles, government publications, and brochures of local hospitals.

Intensive study was made only of hospitals in the Portland area, by which is meant the area defined by the Portland city limits stretched to include the territory lying north of the city as far as the Columbia River, including Vanport. Within this area, the study was confined principally to hospitals as they are defined in the strict sense of the term, i.e., institutions operated under the supervision of licensed physicians and devoted to the care and treatment of the general public. Excluded, therefore, were the various and sundry homes for the aged, shelters for unwed mothers, establishments for the temporary processing of alcoholics, and institutions such as the Veterans Hospital and Morningside, which are supported entirely or in part by Federal funds and which are not operated primarily for the accommodation of Portland residents. Hospitals included in the study were Emanuel, Good Samaritan, Holladay Park (Hahnemann), Physicians and Surgeons (Coffey Memorial), Portland General, Portland Osteopathic, Portland Sanitarium, Providence, St. Vincent's, University of Oregon (Multnomah County), Vanport, and City Isolation.

The Committee's findings are as follows:

### II. HOSPITAL FACILITIES PRESENTLY AVAILABLE IN THE PORTLAND AREA

The general hospital facilities available in the Portland area are summarized in the following table, the figures having been obtained from the 1947 Hospital Directory for



the American Hospital Association (1946 data) as revised and brought up to date by the Hospital Survey and Licensing Division of the Oregon State Board of Health.

	PER- SONNEL (1)	(2) Total	BEDS						Other and Unas- signed
			Genl. Med.	Genl. Surg.	Ortho- pedic	Pedi- atric	OB	Bassi- nets	
Emanuel.....	547	330	82	104	59	..	85	95	...
Good Samaritan.....	478	427	62	92	56	33	64	75	120
Holladay Park (Hahnemann).....	56	81	..	25	..	..	13	13	43
Portland General.....	46	47	..	..	..	..	9	..	38
Portland Sanitarium..	230	151	39	70	..	..	42	42	...
Portland Osteopathic..	33	40	21	9	..	..	6	..	4
Providence.....	255	237	83	72	30	42	..	..	10
St. Vincent's.....	439	356	69	140	59	..	68	68	20
University of Oregon..	557	418	..	..	..	63	21	30	334
Vanport (3).....	112	129	..	..	..	18	24	30	87
Physicians and Surgeons (Coffey Memorial)...	150	127	..	..	..	..	..	..	127
City Isolation.....	...	115	..	..	..	..	..	..	115
Total (4).....	2977	2458	356	512	204	156	332	353	898
Medical-Dental.....	8	9	..	..	..	..	..	..	9
Shriners.....	66	60	..	..	..	60	..	..	...
Fairlawn.....	33	70	..	..	..	..	..	..	70
Veterans.....	142	619	..	..	..	..	..	..	619
Morningside.....	60	350	..	..	..	..	..	..	350
Troutdale TB.....	7	36	..	..	..	..	..	..	36
Matson Memorial (TB, Milwaukie)...	35	48	..	..	..	..	..	..	48

(1) Student nurses counted as half-time employees.

(2) Excluding bassinets.

(3) Now eliminated.

(4) Each of the above totals is changed now by subtraction of the figures for Vanport.

### Are These Facilities Adequate?

No. The present hospital facilities in Portland are not adequate either quantitatively or with reference to provisions made for the care and treatment of patients in several specialized categories. Whereas a hospital normally is considered to be overcrowded (for most efficient operation) when ninety per cent of its beds are occupied, occupancy of the Portland hospitals has exceeded this value during the past few years. A leading hospital, for example, had an average bed occupancy of 114% in 1946. This was attained by crowding additional beds into wards and private rooms, and setting up beds in the hospital corridors. Another leading hospital accommodates a portion of its patients in wards containing as many as 34 beds per ward.

These crowded conditions have forced the hospitals frequently to deny admission to patients. Needed treatments and operations have been postponed until hospital accommodations could be secured. Instances of hospitals denying admission to patients in immediate need of emergency care have been reported. Patients admitted to hospitals have been permitted to remain the minimum time required for their treatment. Hospital care of convalescents, the aged, and the chronically ill has been eliminated almost completely.

Several factors contribute to this situation. First and foremost is the substantial and apparently permanent population growth which has been experienced by the Portland area during the last few years. Whereas in 1940 Portland proper had 305,394 residents, and the greater Portland area, comprising Multnomah, Clackamas, Washington and Clark counties, had 406,000 residents (U. S. Census), the corresponding figures for 1947, considered conservative by the sources, are 425,000 for Portland plus Vanport, and 534,000 for the Greater Portland area (Chamber of Commerce and Water Bureau). During the same interval, construction of new hospitals and additions to existing hospitals have not kept pace with this very substantial population increase.



There have been other factors, however. Physicians today make much greater use of hospitals than formerly, because of the great convenience to themselves and also because of the increased facilities at their disposal. Crowded conditions in the home resulting from housing shortages have in many instances made home care of sick persons difficult if not impossible. The population generally has become more hospital conscious, a result due in some part at least to the popularization of hospitals during the war and the hospital experiences of many members of the armed forces. Another factor has been the development of new drugs and techniques requiring hospitalization for their application. Still another significant factor appears to be increased participation by the public in such plans as the Oregon Physicians' Service and the Blue Cross. The former in 1946 had about 42,000 members in the City of Portland, a goodly share of whom used hospitals more than they otherwise would have had they not been members of the plan. Membership in prepaid hospitalization plans such as the Blue Cross also has a stimulating effect on hospital use despite the fact that patients are admitted to hospitals only on the order of a physician, since the economic consideration, which might otherwise preclude the patient from seeking hospital treatment, has been eliminated. Portland membership in the Blue Cross in 1946 was about 45,000, which indicates that an appreciable added burden has been placed on the hospitals.

This trend is indicated by the following data, taken from the *Hospital Numbers of the Journal of the American Medical Association* for each of the years specified in the chart.

	1931	1936	1941	1946
Available Hospital Beds	1552	1587	1773	2181
Occupancy Per Day	1230	1401	1562	1921
Admissions Per Year	31945	44453	48154	63099
Admissions Per Bed	20.3	28.0	27.1	28.9
Available Bassinets	170	180	204	338
Births in Hospitals	3269	3632	5915	9628
Births Per Bassinet	19.23	20.17	28.94	28.4

For the Portland hospitals, not including:  
Portland General Hospital, Portland Isolation Hospital, Portland Osteopathic Hospital, and Vanport City Hospital.

Partially offsetting the foregoing factors tending to increase the use to which hospitals in Portland have been put is the fact that development of the so-called "wonder drugs," such as sulfa, penicillin, and streptomycin, increased use of blood plasma, the application of improved techniques, and of revised theories of medical practice have operated to shorten materially the duration of the patient's hospital experience in several types of confinements. Thus, maternity cases, patients having bone fractures, patients suffering from pneumonia and other diseases susceptible to treatment by the sulfa drugs, are discharged from the hospital after relatively short periods of time; i.e., periods of time which are only about one-half those formerly required for treatment of the same ailment. Although the net result has been a reduction in the duration of the average confinement from 12 days in 1939 to 8 days in 1947, the improvement in this direction has not been sufficient to overcome the factors noted above leading to crowded conditions in the hospitals.

Not only are the Portland hospitals over-crowded quantitatively, but facilities are lacking for the care and treatment of patients in certain special categories, as follows:

**CONVALESCENT AND AGED.** These two categories are considered together since the term "Convalescent Home" so frequently is used to designate a home for the aged. Most of the Portland hospitals make no specific provision for the care of patients falling within these classes. Exceptions are Holladay Park, which has set aside fourteen beds for convalescent care, and Portland Osteopathic Hospital, which has marked four beds for the same use.

Portland Convalescent Hospital formerly accommodated twenty-five patients, but currently is closed. It is the usual present practice to send patients home for the convalescent period in order that all hospital space possible may be used to house patients actively in need of treatment.

Although the hospitals in Portland make a practice of treating the aged for specific and acute conditions, none of them makes provision for the regular and continued care of patients in this class. The care of these patients is relegated to the so-called "Convalescent Homes," or "Homes for the Aged," of which there are a sufficient number in Portland to accommodate a maximum of about 784 persons. This is somewhat less than the 850 beds



indicated as a minimum by the Hill-Burton Act, under which Federal funds are provided for hospital construction as is discussed more fully below, and which recommends at least two convalescent beds per thousand population.

These homes have varying standards and charge varying amounts, the charges ranging from \$50.00 to \$175.00 per month, and even more. The average number of patients per attendant is 3.5. Many are sub-standard and are operating just outside the city limits in order to escape supervision by the City of Portland Bureau of Health. Others within the city are operating under provisional or temporary licenses because strict enforcement of the pertinent regulations would leave some of the patients with no place to go. As of June, 1947, out of forty-six privately managed convalescent homes in Multnomah County, twenty-three were classified as "unsatisfactory" by the State Board of Health.

Raising the standards of homes such as these has been one of the objectives of the State Hospital Licensing Law, which became effective in July, 1947. This provides for licensing and inspection by the State of hospitals, inclusive of aged and convalescent homes, and should do much to improve the conditions existing in these institutions. However, at the present time there is a very real and pressing need for additional high-standard facilities of this type. Even more will be required in the future, because there will be progressively more people in the seventh and eighth decades of life in the coming years.

**CHRONIC CASES.** Patients in this category, like the convalescent and the aged, generally are refused care in Portland's hospitals because of space limitations. As a result, they are either cared for at home, or in the so-called convalescent homes, referred to above. Provision is needed for the care and treatment of these patients in hospitals.

**PEDIATRICS.** There are a total of 216 beds devoted by the hospitals of Portland to the care of children. However, the pediatric departments of these hospitals are consistently filled. Doernbecher (University of Oregon) and Shriners have long waiting lists which make it difficult to secure the admission of acute cases. Furthermore, although children suffering from rheumatic heart disease are given hospital care in the acute stages of the disease, there is no provision made for the care of children disabled by the disease and requiring a program of activities within their limitations and opportunities for education.

**CONTAGIOUS DISEASES.** The only hospitals making provisions for the care of persons having contagious diseases are Good Samaritan (20 beds) and City Isolation Hospital. The latter institution has a rated capacity of 115 beds. However, some of these are used to accommodate the hospital staff, which leaves a residue of about 80 beds for patients. These facilities have proved adequate in normal times, although there is some doubt as to whether they would prove adequate in the event of a severe epidemic.

Venereal disease patients are treated in most of the Portland hospitals, although special provision is not made for them in the sense that special beds or a special ward is assigned to their care. In addition, they are treated free of charge at the City clinic at Third and Oak, at the University of Oregon Medical School and at the City Isolation Hospital. The provision for treatment of patients in this class appears to be adequate.

**EMERGENCY CASES.** All of the general hospitals in Portland have provision for the treatment of emergency cases, principally accident victims. In addition, there is the City Emergency Hospital, which serves as a first aid station only and does not care for the seriously injured. With regard to the adequacy of emergency facilities, the Committee was advised, and it appeared evident from an inspection made of the emergency room of one of the leading hospitals in Portland, that these facilities suffice qualitatively and quantitatively for normal needs, but provide little, if any, cushion in the event that the hospital should be called upon to care for several emergency patients at one time.

Reports are favorable as to the manner in which indigent victims of traffic accidents are cared for by local hospitals. If the indigent is the operator of a motor vehicle, his hospital bill is paid by the State out of a fund derived from a portion of the fees paid by the public for drivers' licenses. If he is a pedestrian and is injured within the City limits, he is driven as a matter of course by the ambulance driver to the nearest hospital, where the cost of his treatment is guaranteed by the City up to \$5.00 per day. Although this sum is less than the normal per diem charge for hospital care, the hospitals appear willing to accept indigent victims of traffic accidents if space is available for them. Indigent persons not necessarily victims of traffic accidents but in need of hospital care are also eligible to admission, of course, to Multnomah County Hospital.

**MENTAL CASES.** Only three of the Portland hospitals have beds specifically assigned for the care and treatment of patients in this category. These are Good Samaritan, with 25 beds, Holladay Park, with 28 beds, and Fairlawn, which is devoted exclusively to mental cases, with 70 beds. The largest mental hospital in the Portland area is Morningside which



operates under contract with the Federal Government for the care of Alaskan residents, members of the merchant marine, etc. Its facilities, therefore, are not available to the average resident of Portland.

**ALCOHOLICS.** Other than those of the City Jail, Holladay Park Hospital provides the only hospital facilities in Portland for the care of acute alcoholic patients. There, patients in this class are hospitalized in the same wards with other psychopathic patients, a very undesirable condition from the standpoint of patients of both classes. Only one hospital exists in this area for the treatment of chronic alcoholics. This has less than 20 beds, all of which are usually fully occupied.

Additional hospital facilities obviously are needed for the care of both acute and chronic alcoholics. Also needed are clinics for segregating chronic alcoholics who can be treated successfully from those who are beyond help and need custodial care. The Educational Advisory Committee of the Oregon Liquor Control Board is instituting such a clinic in Portland. However, there is no provision whatsoever for the custodial care of the chronic alcoholic in whom permanent deterioration has taken place, and such is needed.

**TUBERCULOSIS.** Facilities available in and near Portland for the care and treatment of tubercular patients consist of the University State Tuberculosis Hospital (University of Oregon), having 80 beds most of which are assigned to patients requiring surgical treatment; the County Tuberculosis Pavillion at Troutdale, the 36 beds of which are occupied principally by advanced cases; and Matson Memorial Hospital in Milwaukie, which had 35 beds given over to the care of tubercular patients. The general hospitals of Portland have no beds specifically assigned for use by tubercular patients, but in special instances may care for a limited number of patients having acute symptoms. More extensive facilities are needed, particularly for caring for patients who, with rest and proper care, can be cured of the disease. None are in prospect, however, save a new structure contemplated to replace the County Pavillion and having approximately the same capacity. Where this will be located and how soon it will be built apparently have not as yet been determined.

### ***What is the Geographic Distribution of the Portland Hospitals?***

Approximately two-thirds of the general hospital beds in Portland are located on the west side, although less than one-fifth of the population of Portland lives in this area. There are no large general hospitals in the far southeast and north sections of the city.

### ***Are the Hospitals of Portland the Optimum Size for Efficient Management?***

Some are, and some are not. The Committee was advised by an authority that a hospital having about 250 beds is of the optimum size. Smaller hospitals cannot operate as economically as big ones, but large hospitals become unwieldy, disintegrated and mechanical, throwing an increased burden on the nursing and dietary staffs, with attendant decrease in service rendered to the patient. Four of the Portland hospitals already exceed this size. Furthermore, hospitals built according to modern hospital design can be operated much more efficiently than can ancient hospitals, even though the latter are of optimum size. It is believed that these two factors should be considered in hospital planning in the future, since it would seem that, in some instances, it would be preferable to build entirely new hospital units, rather than to build additions to existing units which already are antiquated or too large for most efficient operation.

### ***What Hospital Facilities Should Portland Have?***

As indicated above, the hospital facilities of Portland are inadequate in quantity as well as with regard to making provision for the treatment of patients in certain special categories. Considered quantitatively and based on a present population of 425,000, Portland now has about 5.8 hospital beds per thousand population. This compares rather favorably with many other communities of similar size, as witnessed by the following table giving the beds in non-Federal, general hospitals per thousand population in 1945 (American Medical Association Journal 130, 1145-6 (April 20, 1946):

St. Paul.....	7.3	Indianapolis.....	5.3
Omaha.....	7.0	Columbus.....	4.7
Rochester, N. Y.....	6.4	Jersey City.....	4.7
Oakland.....	6.1	Louisville.....	4.5
Denver.....	5.8	Seattle.....	4.4
Average.....		5.6	



However, in appraising the adequacy of the hospital facilities in Portland, account must be taken of the fact that Portland is recognized as a medical center serving a large portion of the Northwest. The hospitals of Portland draw largely from the states of Oregon, Washington and Idaho. Frequently, from 30-40% of the patients are non-residents of the Portland area. Hence, the hospital bed requirements of Portland run at least 20% higher than those of the usual eastern community. On the basis of these considerations, it has been estimated that Portland requires at least 7 beds per thousand population. Again using the figures of 425,000 as representing the present population of the Portland area, it is apparent that Portland needs a total of 2,975 general hospital beds. This leaves a minimum deficiency of about 600 beds needed adequately to accommodate the patients seeking hospital care in Portland.

### ***Are Present Hospital Building Programs Adequate to Meet This Deficiency?***

No, they are not. The only hospital building programs which are under way and give some promise of being completed by 1950 are a proposed addition to Good Samaritan which will net 150 additional beds, construction of new nurses' quarters and classrooms which will release space sufficient to provide for from 20 to 25 additional beds in Providence Hospital, and construction of an addition to Portland Sanitarium which will provide about 80 additional beds. Other hospitals are toying with expansion programs, but plans have not as yet crystallized to the point where they may be said to give promise of fulfillment in the near future. Thus by the year 1950 the general hospital facilities available in Portland will have expanded by a maximum of about 255 beds. This obviously is not sufficient to meet the present deficit, let alone that which may exist two years hence by reason of continued population growth, increased use of hospitals, etc.

A factor which may alleviate the situation to some extent is passage by Congress of the Hill-Burton act, effective in July of last year. Under its terms, Federal aid is to be given to communities needing additional hospital facilities and not having funds with which to build them. This aid amounts to up to 50% of the amount appropriated by the states for building needed hospitals, Oregon being allotted the sum of \$460,725.00 per year for five years. At the present time a survey is being made of Oregon's hospital facilities by the Hospital Survey and Licensing Division of the Oregon State Board of Health with a view to establishing the hospital needs of the state. The first report of this body has just been released, a copy being on file in the City Club Library.

According to the report, only 1,882 of the total number of general hospital beds in Portland are "acceptable," the balance being unacceptable because the buildings in which they are housed are deficient in one or more of the following respects: (1) obsolete; (2) more than one story high and not of fire resistant construction; (3) not built for hospital use originally and not adaptable to such use; (4) inaccessible; (5) inadequate heating, ventilating, plumbing or water supply; (6) located near a railroad or other disturbing installation; and (7) too crowded in that there is more than one bed for each eighty square feet of floor space.

The report of the Survey Committee indicates further that a total of 2,589, or an additional 707, "acceptable" general hospital beds are needed adequately to supply the needs of Portland. This total is somewhat less than the figure of 2,975 beds determined by your Committee. The two findings may be reconciled, however, since the study of the Survey Committee has been state-wide in scope and includes recommendations that hospitals be located in neighboring communities such as Gresham. Construction of such hospitals obviously would relieve the pressure on hospitals in Portland.

## **II. HOSPITAL PERSONNEL**

### ***Are the Hospitals of Portland Adequately Staffed?***

Yes, with the exception of certain classes of personnel. A hospital staff may roughly be classified as (1) service employees, including janitors, maids, orderlies, attendants, elevator operators, etc., (2) administrative personnel and (3) technical personnel, including the medical staff, dieticians, laboratory technicians, X-ray technicians, and nurses. The Portland hospitals report that although there is a general scarcity of technical personnel, the only serious shortage is that of nurses. At present, about 663 nurses are employed by the hospitals of Portland, and about 125 more are needed. Various factors contribute to this situation. In the first place, hospitals are being used more by the public, as pointed out above. Secondly, modern medical practices and procedures place a far greater load on the nursing staff of a hospital than formerly. For example, the use of



modern drugs, such as penicillin, streptomycin, the sulfa drugs, etc.; serum treatments; transfusions and the like which were unknown or infrequently resorted to in the past are now routine procedures in many hospitals. Furthermore, the burden of carrying out these treatments has been largely shifted from the doctors to the nurses.

The increased nursing load resulting from these and other factors is reflected by the fact that the ratio of nurses to population in the United States has increased from 1:708 in 1920, to 1:416 in 1930, and to 1:300 persons in 1946, and the supply is still critically short.

The most significant factor in determining the present shortage of nurses, however, is the fact that nurses are leaving their profession for other pursuits and student nurses are not being trained in numbers sufficient to replace them and to supply the increased demand. The reasons for this are manifold. The salaries paid to nurses have been very low. Their hours of work have been long and have included Sundays, holidays and evenings. Their duties are arduous, some being of a type which could be done by persons without professional training. The period of training which they must undergo is long (3-4 years) and difficult. As a result, the enrollment in the ten schools for training nurses in Oregon dropped from 613 admissions in 1944 to 169 admissions in 1946.

### ***Are Measures Being Taken to Increase the Supply of Nurses?***

Yes. Largely through the efforts of the State Nurses Association, which has a committee for bargaining with hospital management, the salaries of nurses have been raised from about \$90.00 per month in the 1930's to a present pay for general duty nurses of \$190 to \$210 per month. This may be increased after three years of service, with the opportunity of working over into administrative or specialized work for which the salary scales are higher.

The working hours of nurses have been reduced from 48 to 44 hours per week. Effective July 1, 1948, nurses working a 40-hour week will receive \$190 per month (the present rate for the 44-hour week). Nurses on a 44-hour week are to receive \$210 per month. Nurses now are given two weeks vacation with pay, and cumulative sick leave with pay up to sixty days, accumulated at the rate of one day of leave per month of service.

Also, an effort is being made to attract young girls into nurse training programs by advertising the advantages of nursing as a career. This recruiting program is being buttressed by improving materially the curriculum and life of the student nurses. It is meeting with some success, as is indicated by the fact that admissions in the ten nurses' training schools in Oregon rose from a low of 169 in 1946 to 356 in 1947.

Another step which could be taken to alleviate the nurse shortage is to utilize the present supply of nurses more efficiently by confining their activities to strictly nursing duties, and relegating other duties to other classes of personnel. Thus the chart room work and other clerical duties of nurses may be done by clerks. In addition, there may be provided a group of individuals who have limited nursing training, but who are capable of performing the many humdrum duties attendant upon the care of patients in a hospital, such as those which were performed by nurses' aides during the war years.

Thus, it is the thinking of those interested in nurses' education that nurses might be reclassified into two groups, namely, professional nurses and practical attendants. At the present time the Nurses' Association is working with the United States Office of Education in outlining such a program, which might be in the line of extending existing programs for training practical nurses and for licensing them by the state. Provision for this is made in eight states, i. e., California, Connecticut, Maryland, Massachusetts, Michigan, New York, Pennsylvania, and Virginia. In addition, certain other states, including Alabama, Arkansas, Oklahoma, Tennessee, and Wisconsin, license some type of non-professional worker who may nurse for hire. The Oregon State Nurses' Association is working along similar lines, and is introducing a bill for licensing practical nurses into the Legislature at its next session. The bill defines the scope of practical nursing, establishes standard lature at its next session. The bill defines the scope of practical nursing, establishes standards which practical nurses must meet, sets up machinery for accrediting schools desiring to train practical nurses, and provides for the issuing of licenses to qualified persons. This measure, if passed, seems likely to go far in relieving the presently existing acute shortage of nurses.

## **III. HOSPITAL COSTS**

### ***How Have Hospital Charges to Patients Varied During Recent Years?***

As is commonly known, hospital charges have increased substantially until, as stated by a local newspaper, a hospital experience today may be in fact "a major financial catas-



trophe" to the patient. The increasing charges as given by the Portland Council of Hospitals are as follows:

<i>Per Diem Charge for Ward Beds in the Portland Hospitals, 1941-7</i>									
Year.....	1941	1942	1943	1944	1945	1946	1947	1948	Overall Increase
Charge.....	\$5.00	\$7.00	\$7.00	\$7.00	\$7.00	\$8.00	\$8.00	\$9.00	80%

### **What is the Reason for These Increased Charges?**

The reason, as given by the Portland Council of Hospitals is that increased operating costs have necessitated increased charges to patients. The figures are as follows:

<i>Increased Costs of Operating the Portland Hospitals*, 1945-1946</i>				
	<i>Payroll</i>	<i>Supplies</i>	<i>Other</i>	<i>Total</i>
1945.....	\$3,065,846.00	\$1,672,496.00	\$440,228.00	\$5,178,570.00
1946.....	3,706,379.00	1,879,035.00	449,631.00	6,035,045.00
Per Cent Increase..	20.9	12.0	2.1	16.5

\*Emanuel, Good Samaritan, Holladay Park, Physicians and Surgeons, St. Vincent's and Doernbecher.

During this same period, the patient load increased 3.8% and the ward bed rate increased 14.3%.

Another study of hospital operating costs, undertaken by the Chief Steward of the Colorado State Hospital (Pueblo) discloses the increase in cost of the same amounts of 115 items selected at random from a list of about 1,000 items of provisions, clothing, dry goods, sanitary supplies, table ware, laundry supplies and medical supplies. These were as follows (Hospital Management, 62 (6):40 (Dec. 1946):

<i>Date</i>	<i>Price</i>	<i>Gain Over 1941 Per Cent</i>
January, 1941.....	\$ 54,153.00	.....
January, 1942.....	72,526.00	33.92
July, 1943.....	89,174.00	64.67
October, 1944.....	93,715.00	73.05
October, 1945.....	93,497.00	72.65
July, 1946.....	123,726.00	110.00

Of further interest are the following comparisons of costs of hospital operation, obtained from non-hospital sources:

from non-hospital sources.				Increase
	Salaries	1941	1947	Per Cent
Service Employees (per hour)*.....	\$ 0.67	\$ 0.77		15
Student Nurses (per month).....	0.00	16.00		..
Nurses, graduate (per month).....	110.00	190.00		73
Technicians (per month).....	125.00	225.00		80
Interns (per month).....	.....	25.00		..
Consultants (per month, part time)				
about.....	.....	1000.00		..
Commodities				
Consumer Price Index.....	106.2	161.5		52

\*Includes janitors, maids, orderlies, attendants, elevator operators, etc.

### **Is the Cost of Hospital Care to the Paying Patient Due in Part to Free Services Rendered to Others by the Portland Hospitals?**

If the term "free services" is defined as including work done at less than the cost to the hospital, then it appears that such services are a minor contributing factor in determining the cost of hospital care to the paying patient who must be charged, of course, an amount sufficient to cover the loss incurred by the hospital in giving such free services.

As is well known, the general hospitals of Portland do not make a practice of rendering services entirely free of charge to the patient. Although a few instances came to the attention of the Committee wherein patients requesting charitable care were accepted without the hope or expectation of receiving payment, such cases normally are referred to the Multnomah County Hospital and are handled by that institution.



The bulk of the free services rendered by the Portland hospitals consists of services rendered at below cost, but for which the hospital receives some payment. Such situations arise where the hospitals make rate adjustments or contract allowances in favor of various groups or organizations such as, for example:

1. The Boys and Girls Aid Society
2. The Red Cross
3. The Blue Cross
4. The State Industrial Accident Commission
5. Federal and State Agencies for Crippled Children
6. Oregon State Public Welfare Commission
7. City of Portland for Indigent Care
8. Courtesy Discounts to staff physicians and their families (50 %),  
hospital employees, nurses and the clergy
9. Admissions to endowed beds

Also charged off to free care by some Portland hospitals are uncollectible accounts and the cost of performing unrecorded minor services to patients.

The amount of free services performed by the Portland hospitals is variable, depending upon the policy of the individual hospital, its bookkeeping system, and the economic situation prevailing during a given year. In typical instances, however, the value of such services given by two hospitals in one year amounted to about 2% and about 5%, respectively, of their gross earnings for that year.

### **Have the Portland Hospitals Been Operating Profitably at Prevailing Rates and Occupancy?**

From 1928 until about 1940, the Portland hospitals operated at a loss. During the war years, however, they begin to make substantial profits, the peak being reached in 1945 when they made a profit equal to about 10% of their gross earnings. The figures for that year are as follows:\*

	<i>Gross Earnings</i>	<i>Net Profit</i>
St. Vincent's .....	\$1,258,544.00	\$217,428.00
Good Samaritan .....	1,353,150.00	123,094.00
Portland Sanitarium .....	646,387.00	63,924.00
Emanuel .....	1,392,269.00	109,001.00
Providence .....	625,852.00	66,408.00**

\*From audited, itemized balance sheets submitted by the hospitals to the Multnomah County Tax Assessor's Office.

\*\*Reported as "Refund on Principal" and "Building."

Following the year 1945 the profit made by the Portland hospitals decreased until at the present time it is the hospitals' contention that they are just meeting expenses. The figures for the year 1946 and 1947 are as follows:\*

	1946		1947		Jan. and Feb., 1948	
	<i>Gross Earnings</i>	<i>Net Profit</i>	<i>Gross Earnings</i>	<i>Net Profit</i>	<i>Gross Earnings</i>	<i>Net Profit</i>
St. Vincent's	\$1,366,860.00	\$140,585.00	\$1,542,860.00	-82,898.00	\$255,823.00	-22,963.00
Good Samaritan .....		62,151.00		27,511.00		
Portland Sanitarium	719,624.00	59,351.00	834,647.00	39,472.00		
Emanuel	1,499,148.00	42,533.00	1,706,449.00	30,068.00		
Providence	862,338.00	111,150.00	1,465,937.00	35,432.00	162,838.00	- 3,142.00

\*Taken from unitemized figures recorded by the hospitals simply as "Gross Earnings," "Expenses" and "Net Profit" and submitted to your Committee only after it became known to the hospitals that the figures for the year 1945 obtained from the Tax Assessor's office were to be included in this report.

A determined effort is being made at the present time to place the Portland hospitals on the Multnomah County tax rolls on the grounds that they are making substantial profits and are non-charitable in character. This effort has been unsuccessful to date, however, it having been held by the Circuit Court January 17, 1948, that Portland Osteopathic Hospital is exempt from taxation as a charitable institution.

This completes your Committee's findings with regard to the hospital facilities in the Portland area, the personnel with which the hospitals are staffed, and the financial aspects of hospital operation. As a result of its study, it has reached the following conclusions, and makes the following recommendations:



#### IV. CONCLUSIONS

1. Portland now has about 2,458 general hospital beds.
2. Portland needs a minimum of 2,975 general hospital beds to care for its present population.
3. Portland needs additional hospital beds for the care and treatment of (a) the convalescent and aged, (b) chronic cases, (c) children, (d) emergency and disaster victims, (e) acute mental cases, (f) alcoholics, and (g) tuberculosis patients.
4. Existing plans for expanding Portland hospital facilities will not have satisfied these needs by the year 1950.
5. With the exception of technical personnel and nurses, the Portland hospitals are adequately staffed.
6. Programs for supplying the additional nurses needed are under way and show encouraging results, although continued effort in this direction is necessary.
7. Hospital charges to patients have increased about 80 % since 1941.
8. Costs of operating hospitals have increased substantially since 1941 because of (a) increased salaries paid to hospital personnel, and (b) increased cost of goods purchased.
9. The Portland hospitals perform a small amount of work free of charge to patients and a somewhat larger proportion at below cost. The expense of such care is, however, a minor contributing factor in determining the expense of hospital care to patients paying full rates.
10. In 1945 the Portland hospitals made an annual profit equal to at least 10 % of their gross earnings. Since that year, however, the profits made have declined until it is the present contention of the hospitals that they are just about meeting expenses.

#### V. RECOMMENDATIONS

Your Committee recommends that:

1. Insofar as is possible, full advantage be taken of Federal assistance granted under the Hill-Burton Act in order to obtain needed additional hospital facilities for Portland.
2. Consideration be given by hospital authorities in planning hospital expansions to (a) supplying certain specialized hospital facilities indicated herein to be deficient; (b) constructing hospital units in areas not now having hospitals; and, (c) constructing modern, efficient units having capacities of about 250 beds, rather than merely adding on to older structures already oversize.
3. Living quarters outside the hospital be provided for the staff of City Isolation Hospital so that the full capacity of this institution will be available in the event of an epidemic.
4. Support be given to proper legislation providing for the licensing of practical nurses in Oregon as a method of relieving the presently existing severe shortage of nurses in the Portland hospitals.
5. Consideration be given by persons to whom the expense of hospital care is a problem to the desirability of underwriting hospital charges through hospitalization insurance, or other suitable financing methods.
6. More attention be paid by the Portland hospitals to the desirability of keeping the public better informed as to the problems confronting hospital management and the reasons for the high cost of hospital care in an effort to develop a more sympathetic public attitude.

Respectfully submitted,

LOUIS BERELSON  
L. G. COVINGTON  
JOHN D. GALEY  
NEIL MALARKEY  
DR. FORREST E. RIEKE  
EUGENE D. FARLEY, *Chairman*

**EXPLANATORY NOTE:** This report was originally approved for publication by action of the Board of Governors, February 16, 1948. However, after the report had been received by the Board, the committee was offered additional information by the Portland hospitals. A committee of the Board received the data and referred them to the committee. The committee in turn studied the materials and in light of them worked out certain revisions which it presented to the Board June 21, 1948.

Approved by Dr. William Levin, *Chairman*, Public Health Section, February 12, 1948, for transmittal to the Board of Governors. Originally accepted by the Board of Governors and ordered published February 16, 1948.

Approved as revised by the Committee by the Section Chairman, Dr. Levin, April 16, 1948, and received by the Board and ordered published as revised, June 21, 1948.



### PROPOSED FOR MEMBERSHIP AND APPROVED BY THE BOARD OF GOVERNORS

If no objections are received by the Executive Secretary prior to July 23, 1948, the following applicant will be elected:

**CLARENCE W. RICHEN**

*Chief Forester*

Crown Zellerbach Corporation

Proposed by Waldo B. Taylor

### CITIES HIRE PUBLIC MANAGEMENT EXPERTS

Many cities are hiring management experts to help them give citizens better public services for their tax dollars.

The Municipal Finance Officers Association reports that the estimated 20 percent increase in city government costs since the war is a major factor in the mounting call for improved municipal management.

Lodi and Stockton, Cal.; Minneapolis; Cleveland and Dayton, Battle Creek, Mich.; and Charleston, S. C., are among cities where comprehensive studies of local administration have been made recently or are in progress. In Oakland, Cal., municipal personnel and finance are being studied in addition to administration.

### FARMERS ORGANIZE FIRE PROTECTION

The sight of a farmer watching helplessly while his house or barns burn down is becoming less frequent through organization of rural fire protection districts according to the American Public Works Association.

Colorado is among foremost states in current rural fire-fighting activities the Association reports. Twenty-five or more fire districts in rural Colorado are being organized under state legislation passed last year.

### CITIES INSTALL 255,000 PARKING METERS

More than one-quarter million parking meters were installed in U.S. cities last year and installation of an even greater number is expected in 1948.

The Municipal Finance Officers Association reports that although primary purpose of the devices is to regulate parking rather than get money, meter revenues exceeded \$100,000 in each of 26 cities last year and totaled \$4.5 million for the group.

San Diego meter revenues totaled \$329,951 in 1947, more than any other city. Denver ranked second with \$327,897 collected from 5,058 meters, Portland third with \$254,504 collected from 2,170 meters, and Seattle fourth with \$233,518 collected from 2,912 meters.

### PORTLAND CITY CLUB BULLETIN

*Published each Friday by the*

### CITY CLUB OF PORTLAND

**MARGARET CLARKE, Executive Secretary**

**Offices: 925 CASCADE BUILDING • BR 3054 - CA 2002**

**PORTLAND 4, OREGON**

*Entered as second class matter at the Portland, Oregon, post office October 29, 1920, under act of March 3, 1879. Subscription rate one dollar per year included in annual dues.*

**CITY CLUB DUES:** Senior, age 28 and over, \$15.00 per year; Junior, age 27 and under, \$6.00 per year; Non-Residents, \$5.00 per year; Sustaining members, \$25.00 per year. The regular **FRIDAY LUNCHEON MEETINGS** are held in the Crystal Room of the Benson Hotel.

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