

The Anesthesiologist's Bookshelf

Edited by MEREL H. HARMEL

Medicare and The Hospitals: Issues and Prospects. By HERMAN MILES SOMERS and ANNE R. SOMERS. Pp. 295. The Brookings Institution, Washington, D. C. 1967.

Professor and Mrs. Somers have presented a valuable review of the issues confronting Medicare and the health care institutions, especially the non-profit voluntary hospital, with which the program interacts. The book does not purport to review the actual operational effectiveness of Medicare's first year. Rather, the Somers' concentrate on the issues facing American medical care and make recommendations for both the immediate and the longer-term future. The focus is on the hospital, clearly the institutional center of the medical world. After tracing briefly the public discussion relative to compulsory health insurance (dating from approximately 1912) and the long legislative history of Medicare, the book has an excellent chapter on the modern hospital. Stressing that the hospital is a major force in the American economy and that its role cannot be exaggerated, the authors point out that the hospital is becoming, or at least should become, a true community health center—"The one institution with the potential for encompassing and integrating the wide range of comprehensive medical services—prevention, treatment, rehabilitation, and after-care." The changing role of the hospital means that the unique and ambiguous organizational structure of the typical voluntary hospital—the familiar tripartite arrangement of trustees, administration, and medical staff, which took root in eighteenth-century Britain and persists to this day in the United States—has become an anachronism. The age-old tensions between administration and medical staff, inherent in the structure, remain. With this organizational structure Medicare must deal and interact, because the 1965 legislation does not represent a sudden or radical departure from either the organization or the financing of medical care. The authors make the important point that Medicare as it stands does not overturn or seriously threaten any existing health care institution.

The seven major issues confronting Medicare and the hospitals are identified as: adequacy of facilities, quality of medical care, manpower, hospital-specialist relationships, the reimbursement formula, planning of medical care facilities, and containment of costs. A chapter is devoted to a review of each issue, and the authors make specific recommendations with respect to future developments.

The book may disappoint the academic community because the authors' appraisal of the modern hospital and their identification of the major issues are not especially novel observations. Moreover, there is some evidence of haste both in documentation and in writing. But these problems do not detract from the book's importance and the timeliness of publication. The academic world has a problem of communication to the world of the practicing physician and hospital administrator. This book can help bridge the gap and, in turn, encourage positive worthwhile developments in the hospital world at the local or regional level. In a political democracy and an essentially free-enterprise economy change comes slowly, and only after substantial practical support has been nurtured carefully. This book can nurture the required support for adjustment to the future. The recommendations of the authors are, in the main, fundamentally realistic, and they are certainly worthy of discussion and debate by thoughtful professional people in medical practice and administration—those who make and execute policy at the local level. For example, there is ample evidence that the community hospital is not realizing its potential as a health center; only strong leadership by doctors and administrators cooperating, can raise the hospital to its potential. Therefore, this publication by the Brookings Institution deserves wide dissemination. Many of the recommendations made by the authors could be implemented in the more or less foreseeable future.

The authors are optimistic with respect to the adequacy of inpatient hospital facilities. Like many other experts, they strongly endorse Medicare's requirement for utilization review, pointing out, however, that the idea antedated the legislation. The Somers' are much less optimistic about the adequacy of extended-care and hospital ambulatory facilities, and stress that Medicare's inclusion of out-of-hospital services necessitates significant reorganization of facilities. With respect to hospital manpower, the authors assert that the heart of the rationalization problem "is the institution's diffused organizational structure." The "guild" characteristics of the medical and nursing professions are highlighted and criticized. Among the remedies suggested to cope with the manpower crisis are improved productivity of professional personnel and an increase in the authority of the hospital administrator.

Medicare has the potential for improving the quality of medical care significantly, for the simple

reason that large institutional purchasers of care can have a greater influence than individuals. At the moment, any sensible national standards must be characterized "by considerable flexibility, even inconsistency in administration, to keep the program viable." An important point is that quality of care should not be confused with comprehensiveness; the authors call for acknowledging that a regionally-interconnected hospital system would permit high-quality enforceable standards within each grade or category of institution.

The authors reserve their major attack for the Medicare law's exclusion of the services of hospital-based specialists from coverage under Part A, the hospital insurance plan. Calling the separation of Part A and Part B a "blunder," the authors write convincingly that a change is necessary for the reason that "the present law has arbitrarily intervened in the normal development of health services organization." They assert: "The law should permit hospitals and physicians to determine their relations in accordance with their judgment of medical and hospital effectiveness, which may vary with the character and role of the institution. It should not impose administrative burdens on the hospital that have no qualitative or cost savings purpose, as it does now."

In the chapter analyzing the present law's cost-reimbursement formula, it is suggested that a major problem for Congress in the years ahead will be to review the use of individual hospital costs as the basis for payment. "In no other realm of economic life today are payments guaranteed for costs that are neither controlled by competition nor regulated by public authority, and in which no incentive for economy can be discerned." With respect to the containment of hospital costs the authors discuss a number of hopeful suggestions and conclude by recommending, in effect, a public regulatory mechanism at the state level of government. Any regulatory mechanism raises the issue of whether hospitals should be treated as public utilities. Naturally, the public-utility concept is controversial but, at the very least, it is worthy of substantial discussion and further research. The authors soundly recommend as a minimum that the matter of regulating costs be tied in with statewide planning of hospital facilities.

The need for planning of medical care facilities is "obvious and urgent." Although it is still too early for an evaluation of the genuine effectiveness of the Metcalf-McCloskey Act (1964) in New York, the authors apparently approve of such efforts toward legally-sanctioned rationalization of facilities, and advance a theory of positive planning, discussing the potential of Medicare as an aid to planning. Although Medicare certainly was not designed as a hospital planning law, it "assumes a rational health care system with the right patient at the right place at the right time—home, hospital, and doctor's office."

Two dominant trends, accelerated by Medicare and Medicaid and other legislation, are evident: (1) The hospital will become capable of providing

the full spectrum of care and (2) it will become a part of an integrated regional complex of medical care institutions. Along the way, as the future materializes, there will be numerous dissatisfactions with particulars and some strong resistance to change. The trends obviously involve a surrender of autonomy by some institutions and shifts in decision-making power. Nevertheless, the authors are optimistic, and make sensible recommendations for dealing with the issues that inevitably will arise. They conclude that Medicare involves heavy burdens for all in the health sciences but that the legislation represents "a magnificent opportunity." The law's "influence extends far beyond its formal boundaries. It can serve as a fulcrum and lever for guiding and moving the organization and financing of American medical care along avenues that represent a better future for all."

As diverse interests strive for this "better future," in a volume of this kind, one might have hoped for a fuller discussion of the concept known as "creative federalism" (pages 268-271) and an analysis of administrative law problems when governments and private, voluntary institutions join together, as in the Medicare legislation, to accomplish tasks of huge magnitude relating to public welfare. But, in fairness, an analysis in depth of the dilemmas of administrative law in a political democracy complicated greatly by the interaction of the Federal and state governments properly belongs in another book yet to be conceived and written. The book by Professor and Mrs. Somers should serve well as a foundation for future discussion, research and the making of policy.

ARTHUR F. SOUTHWICK
Professor of Business Law
Graduate School of Business
Administration
The University of Michigan
Ann Arbor, Michigan

From Boston to Dumfries—The First Surgical Use of Anaesthetic Ether in the Old World. By THOMAS W. BAILLIE. Pp. 36. Published by: Robert Dinwiddie & Co., Dumfries, England, 1966.

This little book has a subtitle "The first surgical use of anaesthetic ether in The Old World." As an alternative your reviewer would suggest "Scotland forever." It has been generally accepted that following Morton's administration of ether in Boston in October 1846, ether was given in London on December 19, for the extraction of a tooth by Dr. Boott, and on 21st for Liston to amputate a leg. A legend persists in Dumfries, however, that priority belongs to their Royal Infirmary (fig. 1). Dr. Baillie, anesthetist to this distinguished institution, claims that the honor of staging "The first public operation" (nature unspecified, but under ether) should go to his hospital because of ether given there by Dr. Scott on December 19. This