

The Allan Brooking NHS Travel Fellowship

NHS Training Authority Travelling Fellowship
(administered by the King's Fund College)

North West Thames Regional Health Authority

INCOME GENERATION IN NORTH AMERICA

A study made during a visit to North America,
16-29 October 1988

P J THOMPSON

December 1988

KING'S FUND LIBRARY	
11-13 CAVENDISH SQUARE LONDON W1G 0AN	
Class mark	Extensions
HOILb	(7no)
Date of receipt	Price

ACKNOWLEDGEMENTS

I am most grateful to The Allan Brooking NHS Travel Fellowship and the NHS Training Authority for sponsoring my visit to North America, to the King's Fund College for its advice and assistance, and to North West Thames Regional Health Authority for its support.

During my trip I was helped by many people who were generous with their time and advice. I am grateful in particular to the following individuals, their colleagues and organisations, without whose help and hospitality my study could not have taken place:

- Dr Peter Schneider at The Royal Victoria Hospital, Montreal, Quebec.
- Mr Bernard Blais at the Ottawa General Hospital, Ottawa, Ontario.
- Mr Robert Johnson at the Regional Medical Center of St Louis, Missouri.
- Miss Deborah Hartman and Mr Bill Cornwell of Houston, Texas.
- Mrs Linda Winter of the Texas Medical Center, Houston, Texas.
- Mr Robert Kitzman of VHA Inc, Dallas, Texas.

CONTENTS

- 1 - Executive Summary
- 2 - Introduction
- Visits:
- 3 - Royal Victoria Hospital, Montreal (RVH)
- 4 - Ottawa General Hospital, Ottawa (OGH)
- 5 - St Louis Regional Medical Center (RMC)
- 6 - The Jewish Hospital, St Louis
- 7 - Houston
- 8 - Memorial Care Systems, Houston (MCS)
- 9 - Texas Medical Center, Houston (TMC)
- 10 - Voluntary Hospitals of America Inc, Dallas (VHA)
- 11 - Baylor Medical Center, Dallas (BMC)
- 12 - Special Projects
- 13 - Management Approach and recommendations
- 14 - Appendix (brochures)

1 - EXECUTIVE SUMMARY

The aim of the study was to examine means of earning nonclinical incomes in North American hospitals and health centres, with a view to using similar approaches within typical British health authorities.

Meetings were held with health care managers and other experts, and health care facilities were visited in Montreal, Ottawa, St Louis, Houston and Dallas, over a two week period. A wide range of income generation activities was observed and discussed.

Canadian hospitals have pursued a similar revenue generation policy to the NHS since the early 1980's and are probably five years ahead of the current British initiative. 1% to 2% of total revenues are contributed by income generation profits, and non-financial benefits are considered to be equally as important to the organisation as income.

US hospitals are similarly active in income generation. One large for-profit organisation runs a portfolio of income generation companies, which produces profits of US\$3m/y on sales of \$60m.

In addition to the more "traditional" areas of income generation such as private patient care and retailing, opportunities were identified in, for example, car parking, child care, franchising and branding, weight management programmes, nursing homes, retirement homes, and hotels.

Various management approaches to income generation were examined and the more successful methods are noted.

2 - INTRODUCTION

The objective of the study was to examine means of earning non-clinical incomes in North American hospitals and health centres, with a view to using similar approaches within typical British health authorities. It was intended to identify projects and techniques of income generation suitable for transfer to the UK situation; and in particular to determine what makes for a successful scheme, in addition to identifying the different types of project which have been tried.

It was felt that while there is no shortage of ideas for income generation, the right ingredients for a profitable and long lasting venture are less obvious.

This report is aimed at the British health service manager with responsibility for income generation, in the hope that it might suggest new areas of potential interest or present some existing schemes in a new light.

Money is often only one benefit of a successful income generation scheme. To quote a senior manager at a Canadian hospital: "Although we began revenue generation for the money, its other benefits are becoming more valuable to the organisation. Managers are managing their own core activities better as a result of their involvement in revenue generation."

Our NHS jargon of "income generation" has a direct equivalent, "revenue generation" in Canadian health care circles. There is no equivalent phrase or concept in the USA. In the early 1980's, Canada's hospitals embarked on a programme of revenue generation, and a survey in 1985 found that over 90% of large hospitals had significant activity in revenue generation. In many ways, Canada appears to have followed a similar path to the NHS in income generation, but is perhaps some five years ahead.

[39% of large acute hospitals in Canada reported earnings of between C\$1m and C\$5m from revenue generation in 1985, 9% earned C\$5m to C\$10m, and 15% over C\$10m.]

The study reports on facilities visited and on projects by type; selected projects are highlighted, management approaches are noted, and some recommendations are offered. The opinions expressed are those of the author or of N American correspondents; they are not necessarily those of the sponsoring organisations.

The reader is welcome to contact the author with any observations or questions, at either:

J J Thompson & Partners
71 Anglesmede Crescent
Pinner
Middlesex HA5 5ST telephone 01-863 9130

or

North West Thames Regional Health Authority
Income Generation Unit
40 Eastbourne Terrace
London W2 3QR telephone 01-262 8011 X3323

Information obtained was managed with Lotus Agenda software and the report was directly produced from Agenda using Wordstar 1512 and Finesse desk top publisher. There are some abbreviations in the text, for recurring hospital names, income generation (i/g), thousands (k), millions(m) and days, months and years (d,m,& y).

Exchange rates during the trip were about C\$2 = £1 and US\$1.8 = £1.

3 - THE ROYAL VICTORIA HOSPITAL, MONTREAL

The Royal Victoria Hospital in Montreal (RVH) was incorporated 100 years ago and many of the original buildings remain. I am told that there are close similarities between its design and that of the Edinburgh Royal Infirmary in Scotland. There are 3,000 salaried employees, 600 doctors and 600 students on the 50 acre site, which is adjacent to the McGill University campus with its 25,000 students.

The RVH has a major programme of revenue generation which produces total revenues of C\$2.5m/y at various levels of profitability. Responsibility for projects lies directly with the department manager involved, and the Director of Hospital Services is ultimately responsible for all revenue generation. There is a Business Development Manager, supported by a Business Development Committee, responsible for new business development and marketing. This post is on a C\$40-47k/y scale; the post holder is an MBA and is assisted by a full time secretary.

The RVH can set up incorporated companies and is flexible about shareholdings: it need not hold 100%. Organisationally, RVH Centre runs the hospital and RVH Corporation manages its assets: land, buildings, donations, etc. RVH Corp finances and manages cash flows for new small business activities. (Nevertheless, like the NHS, RVH Centre does not practice capital accounting.)

Business plans are produced for individual projects but not for the whole revenue generation programme; it is felt that too much central control would stifle initiative. Revenues are generally split 55/45% between department and hospital, but this is negotiable depending on the nature of the project and the needs of the department; it can go 100% to the department.

The Board of Trustees is very supportive of revenue generation, but senior management is divided, with medical and nursing staff being less enthusiastic. It was commented that Canadian doctors tend to be less "commercial" than ours, although there are a few entrepreneurs. About half the managers are interested or influential in revenue generation, the general public recognises the need for additional funds, but employee groups are not involved.

A yet-to-be-successful RVH business venture is a private physiotherapy clinic set up in the city centre. It has lost \$160k over three years and is just now starting to break even. Bankruptcy was felt not to be an acceptable "public" option for the hospital, and the only alternatives were either to turn it into a profit maker or to sell it off (presumably at a loss). But for the nature of the sponsoring organisation, managers felt the venture would have been closed down at an early stage.

Most "traditional" areas of i/g are well developed. Retail sales netted profits of C\$250k/y, including Women's Voluntary Service shops with very competitive prices. A Home Care store sells home care medical equipment and supplies, including for example "dipstick" test kits.

Car parking produced over C\$700k last year, from some 2,000 spaces. Visitors and patients are charged up to C\$7/d; junior staff pay C\$15/m, general staff C\$20/m and management C\$30/m. It is planned to increase these rates shortly. A shuttle bus is run to the nearest underground station, but this is mainly to aid recruitment rather than for i/g.

In-house services look for outside work. Pathology laboratories bring in C\$650k/y of which 75% is considered profit; CT and the cath lab earn C\$150k/y externally with 20% gross profit, and the nuclear medicine lab C\$80k/y; occupational health services bring C\$300k/y revenues from outside companies;

engineering and biomedical equipment maintenance, C\$25k/y, via equipment service contracts; and radiation safety consulting C\$50k/y.

The laundry does commercial work and the print shop earns C\$80k/y externally.

In computing, a 50/50 joint venture has been set up with Syscor - Systems Corporation - to license software for sale to other hospitals; payroll, laboratory systems and PC/main frame links are the principal products and the annual turnover is C\$5m.

Patients are charged for various additional services, including "room service", broadcast television, and even air conditioners; tv film systems are being investigated, as are pay lockers for patients in outpatient clinics, X-ray, etc.

Three major new projects are being planned:

- A new building containing doctors private consulting rooms and a retail pharmacy, etc, with parking facilities. It is estimated that 150 of their 600 doctors may be interested in renting rooms from RVH.

- With The Cedars of Lebanon, a cancer fund raising group, to develop a new hotel building on the main site, for palliative care, chemotherapy, relatives and visitors. It would be used also for conventions, conferences and banqueting.

- A new recreational centre for staff, including sports and leisure facilities and a gourmet restaurant. This is planned primarily as a staff benefit, to aid recruitment and retention and to encourage fitness.

Finally, a number of smaller projects are active: the provision of audio-visual support, dietetics advice, and some management consulting. Company R & D funds are sought for clinical drug trials, and advertising on the hospital site is being considered.

4 - OTTAWA GENERAL HOSPITAL, OTTAWA

This modern hospital has 529 beds on a pleasant campus, 2400 staff and 500 physicians. In 1987,

occupancy was 95%, there were 183,000 inpatient days and 240,000 outpatient visits.

Ottawa General Hospital (OGH) has been very active and successful in revenue generation since 1982, when a new President was appointed. Of a total hospital budget of C\$110m, revenue generation brings in C\$1.5m/y; it is described as being inbred, part of the hospital's philosophy.

All staff groups strongly support i/g, although nurses are felt to be somewhat reluctant to promote new projects. There is no global business plan; schemes "mushroom out of the ground in entrepreneurial fashion". The policy is to avoid bureaucracy which tends to stifle the smaller schemes - which, taken together, may earn more than three or four major projects.

It is felt that there is no need for a Director of Marketing, for example, because managers might sit back and wait for him to do everything. Management of i/g schemes depends on the size and nature of the project but is generally completely decentralised: it works best at grass roots level.

Departmental incentives also depend on the nature of the activity and are open to ad hoc negotiation; 100% of revenues could go to the department concerned in some circumstances. The motivation is cash to improve the department: equipment, travel and education funds, conferences, guest speakers, etc.

There is no Performance Related Pay for managers; PRP is seen as an outmoded, unsuccessful system which was abandoned five years ago. Revenue generation projects are group efforts and it is not felt desirable to single out individuals.

The organisation wants to remain independent, and any joint ventures are contractual, not corporate, although they may include profit sharing. No equity is held in outside firms: it could get in the way of contracting with the best service providers at lowest cost.

Schemes are funded from efficiency savings or are self-funding. Bank mortgages could be obtained (eg, for a new building or parking lot) but are not necessary as OGH has C\$20m on deposit.

A large number of i/g projects are underway, for example:

	Gross profit, C\$/y
- audiology: rent space to private company	3
- psychology: contracts with companies for assessments	8
- physical examinations for insurance companies	200
- biomedical equipment services	20
- cafeteria	129
- catering	66
- housekeeping	116
- printing	78
- tv rental	67
- video tape rental (400 titles are available from a small shop and on wards via a brochure)	4
- pharmacy	80

Other schemes include:

- path lab services to other hospitals, and to veterinary surgeons
- consulting services on eg, infection control, purchasing, materials management, CSSD
- typing services to other hospitals
- physiotherapy, eg, back care work for the Transport Commission
- obstetrics ultrasound photos
- conferences (run by several departments)
- own nursing agency, available to other hospitals
- gas testing of machines and pipelines using own multi-gas analyser
- bake shop, pizza take-out
- optometrist, beauty salon, convenience store, personal medical equipment and supplies shop

Some areas are of special interest:

Computing

Data processing services are sold to three other hospitals, in association with SMS (on patient care) and MSA (on financial and inventory systems). C\$3m were earned in computer installation fees, on a per diem basis, and recurring revenues net C\$600k/y. Computer mainframe time is sold direct, and software licensing is undertaken by the "Canadianisation" of US systems.

An in-house Computer Aided Design (CAD)

system has been set up. Floor plans, structural details and services are being input, and it will be used in planning and designing alterations and renovation. Projects worth up to C\$100k are done in-house by a technician with the CAD system; larger schemes are contracted out. 189 minor projects worth C\$2m are in progress. Major savings are obtained in time and cost over using external designers for these projects, and commercial work is obtained.

Housekeeping

This department is very active externally, earning C\$116k/y gross profit. It has contracts for cleaning outside buildings, eg, insurance companies, community centres, Red Cross of Canada HQ, etc. Because it is perceived as being highly competent (as a result of cleaning operating theatres, and so on) it can command a premium of up to 50% above the going commercial rates in the city.

The service extends to private houses and includes spring cleaning, walls, window and curtain cleaning, rugs, floors and furniture cleaning; and dry cleaning.

The service is well marketed, and all visitors and users of the hospital receive promotional material (see Appendix). To quote the brochure "Profits go towards the purchase of new equipment and to provide funding for special hospital and research programmes. All this is done with the purpose of providing continual and improved patient care".

The staff apparently enjoy the more varied work, being perhaps on a ward one day and in a private home the next; they can afford the best available equipment and the most effective cleaning supplies. The hospital is cleaner (at lower cost) and staff more motivated than before external work was sought. Absenteeism in this and other hotel services has fallen from 7.3% in 1982/83 to 3.5% this year.

It is interesting to compare this approach to our own competitive tendering exercises, and with experience at Baylor Medical Center, Dallas (see below).

Printing

Here again, OGH has gone full circle relative to the NHS, and a large print shop is run in-house. DTP and full colour printing is done to a very

high standard. 20,000 copies of a 20-page house magazine with colour covers were produced for C\$7,000 compared with a cost of C\$19,000 for the previous edition printed outside.

External printing and typesetting contracts produced profits of C\$45k in 1984/85, C\$78k in 1985/86 and C\$94k last year. An estimated C\$500k/y is saved on hospital printing and external typesetting costs are avoided.

All hospital forms are designed by a forms analyst and printed in-house, and this service is offered externally.

At this hospital, it clearly makes financial and managerial sense to directly control document production from design to printing; quality is high and production is on time. The shop is run by a young and enthusiastic team using the latest equipment and techniques; it is Wapping, not Fleet Street.

Catering

Catering earns C\$195/y gross profit and is a joint venture with Marriott; management staff are provided by Marriott, all others are employees.

Banqueting services are marketed with the help of a 20-page colour brochure illustrating catering services, menus, trays, rooms and costs. Patients have the option of a "gourmet" meal selection, from a colour menu offering, for example, shrimp cocktail at C\$4.75, filet mignon C\$13.25.

They are investigating the feasibility of a licensed restaurant, speciality food shop, take-out service and sale of coffee beans.

I was intrigued to pay for lunch from the salad bar by weight.

Pharmacy

The hospital provides space for a commercial pharmacy, and receives rent plus a percentage of profits. Rent is C\$20/ft²/y for 700ft² and total profit C\$80k/y.
Satellite Conferencing

Live interactive satellite video conferencing is run in joint venture between OGH, the Rehabilitation Centre and Media Enterprises

International Inc. It covers eastern Canada and provides a programme of two conferences each month, with topics such as management development, rehabilitation medicine and therapy, computer technology, etc. A question and answer period is a feature of the video technology. Charges are C\$65 per person or C\$30 each for ten or more attendees. Training kits are also available with each conference for C\$350.

General

The construction of doctors' private offices is being considered, for around 140 of their 500 physicians. This would be on two floors, with a total of 50,000ft² costing C\$2m to construct. General offices might be provided for non health care purposes.

Building maintenance is carried out for others on a fee per square foot basis, eg, for Ottawa University.

The provision of a nursing home is being considered, as are weight loss counselling sessions.

As at most Canadian and US hospitals, parking charges provide a very important source of income. A well organised multistorey car park adjacent to the main entrance charges C\$1/h to visitors.

5 - REGIONAL MEDICAL CENTER, ST LOUIS

The St Louis Regional Medical Center is a private, non-profit organisation which was formed essentially to provide public health care to the citizens of St Louis City and St Louis County. It opened in 1985 and is staffed mainly by employees from three other City and County hospitals which were closed down. There is a 300 bed acute care hospital and five ambulatory care centres, 1300 staff and US\$69.2m/y revenues.

The Center has surmounted considerable organisational change and financial difficulties since it was set up, and its position has only recently stabilised. (There were occasional difficulties in meeting the payroll last year). It has a duty to treat all local citizens and is funded

by St Louis City and County (via property taxes), and from Medicare; it is therefore in a somewhat similar situation to an NHS district, in that it cannot turn away patients, and parts of its income are inflexible within any one year.

There was a strong feeling among RMC managers, and at the St Louis County Health Department, that management is too busy at present integrating staff from different locations, and trying to maximise Medicare and Medicaid reimbursements, to spend time trying to raise "fringe" revenues from income generation. Apart from sheer time limitations, it was felt also that time spent checking and maximising Medicare reimbursement produces much more "cash per hour of effort" than would income generation.

[Managers were also devoting a great deal of effort to cutting costs, although, as in parts of the NHS, returns were tending to diminish. An active suggestions scheme produces 50 to 70 ideas a month, encouraged by cash awards, pictures in newsletters, etc.]

These attitudes did not appear at all unreasonable in the local circumstances, and yet clearly a more stable period was on the horizon when income generation activities might produce real cash and organisational benefits. The CEO recognised this and was examining several options.

In the last year the RMC received a total income of US\$1.5m from catering (restaurant and coffee shop), vending, retailing (gift shop run by volunteers), sale of X-ray silver, and other minor assets. \$82,000 had been raised for a laser appeal, by fish fries and dances, and a "Gold Sale" for employees produced a \$15,000 surplus in a single day. At the other end of the scale, tv's were rented to patients for \$2.50/d.

RMC's services are used by the "medically indigent" and there is therefore little scope for selling additional services to patients. Indeed, it was commented that staff may often put their hands in their own pockets to give a patient 75c for the bus ride home.

Unusually, the Center does not charge for car parking. It has 595 spaces and parking is difficult. This is an area where income could be produced and a better, more secure service provided to staff and visitors, in spite of the

relative poverty of the neighbourhood. It was felt that \$1/visit could be charged.

There were also opportunities to sell steam to a nearby laundry; to sell spectacles in ambulatory centres (which run ophthalmology clinics); to offer landscaping and snow clearing services; and to handle billing and computing services for doctors' offices.

The RMC is considering running its own child care centre. At present it contracts with a local branch of KinderCare (a commercial, franchised creche), to care for employees' children. The employee pays 80% of the cost and the RMC funds the rest at a total annual cost of \$25,000.

Appointment Deposits

This is a potential scheme which we identified during discussions on the problems of no-shows (appointments missed without prior notification).

40% of ambulatory patients are no-shows, resulting in a considerable waste of staff time and money (and presumably some unrelieved patients). It might be interesting to experiment with a \$1 deposit made at the time of setting the appointment, refundable in full when the appointment was met on time.

This could produce the following benefits, in unknown proportions:

- more people would keep appointments, resulting in more effective community health care
- the hospital would cut its operating costs
- the hospital would increase its income from eg Medicare reimbursements
- the hospital would receive additional cash as a result of deposits forfeited

18,000 to 20,000 ambulatory patients are seen each month, and most set up appointments in person. Many of those who make telephone appointments could make the small deposit by credit card: surprisingly, 60% of patients have a credit card.

It would be interesting to try this approach in the NHS, for inpatient admissions as well as outpatient appointments.

The Cadillac Dinner

This is a fund raising event, not run at RMC but apparently successful elsewhere. 500 tickets are sold for the dinner at \$100 each (doctors may be expected to entertain their immediate staff), a new Cadillac is purchased (often at a large discount in exchange for publicising the car dealer's name), and a formal dinner arranged. At the end of an evening of eating, drinking and entertainment, a draw is held for the car and the lucky winner drives it away.

6 - THE JEWISH HOSPITAL, ST LOUIS

A brief visit was made to this private, for-profit hospital, part of the Washington University Medical Center and catering mainly for the insured or self pay patient.

The 625 bed, 3,000 staff facility is well funded and has first class buildings and services. There is no top management initiative to look for income generation opportunities, and there are no targets or objectives. Income generation happens at department level if an individual manager decides to promote a new scheme.

Retailing is conventional and successful, with high earnings from an ice-cream parlour, gift shop, cafeteria and employee uniform shop.

Car parking charges are \$3/day maximum for patients and visitors, and \$21/month for employees.

I was informed that the Christian Hospital in St Louis has a MacDonalds hamburgers franchise within the hospital which is highly profitable.

7 - HOUSTON

Discussions were held with key Houston health care managers and health system experts:

Gary D McHenry, McHenry and Gaskamp

Mr McHenry had been Administrator and CEO at Hermann Hospital, Houston, a 900-bed not-for-profit facility on the Texas Medical Center campus, with \$200m annual revenues. The hospital had tried the Preferred Provider Organisation system, but found it not

commercially viable and dropped its plan.

Catering provided a major source of revenue at Hermann Hospital. The cafeteria was run in-house and had 200 seats which were "turned over" 2.5 to 3 times at lunch time; it had a short order bar, self service line and salad bar. The keys to success were eye appeal and available seats. External name recognition (MacDonalds, Swensons, Baskin-Robbins, etc) was felt to be a good way to attract visitors and outsiders to hospital restaurants. It was noted that some rural institutions in the US may provide the best (or indeed the only) food in town.

McHenry suggested that the NHS should run its own nursing home chain - more on this later.

Many American hospitals have child care centres; these cost around \$25/month and staff may be charged \$20/month. It was suggested that the NHS should start an "own brand" chain of child care centres, open to the general public as well as for staff.

Again, car parking was identified as an essential revenue earner and service to customers and staff. Hermann Hospital has 200 spaces at its entrance and 1500 in a multi storey garage. Charges are by the hour, but with the first 30 minutes free to allow for dropping off patients; daily rates are up to \$7, or \$50/month. Employees get a 50% discount. Pharmacy, cafeteria and shops in the hospital can validate parking tickets to allow free parking, encouraging outsiders to use hospital facilities. Car park kiosks were held up three or four times a year, a common hazard in Houston.

Some i/g schemes were not successful, usually due to an excessive level of debt. Not-for-profit status is sometimes a drawback, but it is more of a cultural than a legal problem - the "we're not here to make money" syndrome, as it was described. Capital may be raised from bond sales, but risks must be very low for the bond market; joint venture partners or private venture capital are more appropriate for the higher risk schemes if the accompanying higher interest charges can be supported.

There must be a strong element of reward for the department sponsoring any i/g scheme. This should not be in the form of a general addition to its budget, but should go towards employee

benefits, training time, refurbishment, equipment or patient care, on items previously agreed by hospital management.

Maternity was felt to be a good area for selling; "I was born in ..." T-shirts, videos in the nursery, photograph portfolios for \$20, etc. Not all successful US schemes are easily transferable to the cooler culture of the UK, and this probably applies to the "Rendezvous Room" at Hermann Hospital: a "gourmet, candlelit, champagne dinner" is arranged for the new mother and spouse, while baby is taken care of. Cost, \$100.

The helicopter emergency service is a large source of revenue, but with a high level of bad debt.

Franchised shops with national "name recognition" were effective at bringing outsiders in to the hospital, eg. "Athlete's Foot" sports shoes franchises.

Mr McHenry commented that US hospital administrators tended to be locally very clannish and political, and did not share information amongst themselves. They needed to be taken out of their cosy professional groups and encouraged to be more commercial and businesslike.

Dr D Patricia Nelson, The University of Texas Health Science Center at Houston, School of Public Health.

Dr Nelson suggested the NHS could sell a wide range of personal medical products directly, via our newspapers, hospital shops, mail order and home delivery. A mail order catalogue could offer selected products associated with chronic disease, geriatrics, diabetes, nutrition, fitness, etc. NHS own-label products could be attractive, eg. aspirin, shampoo, etc.

The idea of NHS child care centres was strongly supported, with the suggestion that a joint venture could be arranged with a private firm to set up a new franchising company.

It was felt, with respect to increasing private patient activities in the NHS, that we should advertise these services overseas.

We should draw the attention of merchandisers to the opportunities of selling to our 1 million

plus staff: perhaps by national advertising in, eg. The Economist.

Most major US hospitals have spectacle and eye testing shops, run by outside operators, often franchised, such as Eye Masters, Eye Boutique. The in-hospital shops are so successful that, unlike similar outlets in shopping malls, they do not need to advertise their services.

An NHS "Family Medical Book" was proposed. This would be sold to the general population, and could contain selected medical record information (baby's weight, colour of eyes, height and weight year by year, blood pressure, cholesterol levels, other turning points, health education advice, etc.)

Francis J Beatty, Winick & Associates, Inc.

Frank Beatty was with Lifemark Corporation, until its take-over by AMI. He commented that DRGs had changed the US health care management: hospital administrators had changed from "good ol' boys" to professional businessmen with real responsibility for financial results. Ten years ago, they were interested only in direct patient services; now they run a much wider range of services, including many outside the hospital itself. [He described a hospital as a hotel for doctors.]

Managers are nevertheless chasing the main revenues, not the 1% to 2% fringe from income generation. Those i/g schemes which are active tend to be taking existing internal services and promoting them outside the building: laundry for hotels, computer dataprocessing, corporate physicals, etc.

8 - MEMORIAL CARE SYSTEMS, HOUSTON

Dan S Wilford, President

Memorial Health Systems is a diversified, health care corporation, operating on a not-for-profit, community controlled basis. It aims to be the premier voluntary community health care system in south east Texas. It owns or manages seven major acute care hospitals, in addition to a range of community care services. It considers that HMOs and PPOs are not working out and intends to sell its schemes to insurance companies.

Its most profitable income generator is Optifast, a weight loss programme franchised by Sandoz Inc. Nation-wide, this programme has treated 300,000 patients at 470 institutions since 1976. Memorial generates profits of \$30k/m from the scheme and has 150 people currently under treatment, paying \$3,000 each for the 3-month programme. It was aimed originally at those at least 50lbs overweight, and has been modified to include adults over 25lbs overweight, and children. The programme is based on a liquid formula diet, weekly behaviour modification meetings, and a monthly consultation with a doctor. Only 50% complete the programme, and some who drop out come back again. Memorial has three outlets in hospitals and three free standing units.

Parking produces \$50 to \$60k/y profit, although it was commented that parking garages (multistorey car parks) cost four times as much as ground parking lots, per space, and are therefore rarely very profitable.

Memorial has set up a successful joint venture pathology laboratory, which provides services to other hospitals, doctors' private clinics, and veterinarians. Profits are 10-12%

A mobile MRI is operated and a mobile lithotripter is being considered.

Memorial is active in a number of typical areas:

- provides a catering service including for social events
- housekeeping for doctors' private offices
- design and build services for light office construction
- health promotion and wellness programmes: aerobics, smoking cessation, etc
- collection agency and marketing services for doctors' offices
- pay tv (broadcast tv)
- computer services: data processing, medical information systems

Some projects are unusual or of special interest:

Retirement and Nursing Homes

Memorial is building retirement homes adjacent to Memorial Southwest Hospital. 186 apartment units are being provided in a first phase, with a

further 300 units in phase 2 plus a 60-bed nursing home. The hospital will provide food, laundry, housekeeping and nursing. Half the homes were sold before construction started.

Units range in size from a 600ft² 1-bed efficiency to 1,500ft² 2-bedroom apartments. A refundable deposit of \$30k - \$60k is charged, and a monthly maintenance fee of \$800 to \$1,200 to cover services provided. The basic fee includes utilities, one meal/day, maid service one day/week, and up to 30d/y nursing home care; any additional services are charged on top of this.

Memorial 55 +

While perhaps not directly income generation, this free membership "passport" for those over 55 years should encourage greater use of health care facilities. Its benefits include Medicare/insurance claims assistance, physician information and referral, newsletters, fitness/wellness/educational classes and instruction, travel opportunities, and discounts when using hospital services (free tv, parking, etc).

There is also a Preferred Partner Card, available to all age groups provided they are employed, have at least 80% medical insurance coverage, and have a family income over \$35k/y (or \$25k if single without dependents). Benefits include discounts, a magazine, free parking, etc, when using the system.

General

Memorial runs a free programme of telephone help lines with several hundred recorded messages on health care related matters; the service promotes the Memorial system. [Telephone advice lines may be run profitably in the UK (eg, Air Call's venture) and are being considered by at least one health authority.]

Pearl Vision optometrists, owned by Grand Metropolitan, has 25% market share in the US, with half its stores franchised and the rest owned. They are active and profitable on hospital sites and in shopping malls. In California they have some "2-hour" outlets in malls. The customer is tested, is given a radio pager, continues his shopping, and is beeped when his spectacles are ready, within two hours.

9 - TEXAS MEDICAL CENTER, HOUSTON

The largest medical complex in the world includes over 30 hospitals, schools, research centres and institutions on a 525 acre campus in Houston, Texas. More than 3 million patients, technicians, doctors, students, employees, sales representative, teachers, specialists and visitors come to Texas Medical Center each year.

It has 21,000 parking spaces. Parking garages cost \$1/h or \$54/m, and surface lots \$43/m.

UTTV

UTTV is a division of The University of Texas Health Science Center at Houston. It is a television production company which specialises in so-called health related news inserts, 60-90 second long health education items for inclusion in news programmes, for maximum public impact.

These inserts cover a wide variety of subjects, such as CHD, Alzheimers Disease, GIFT, breast cancer, chest pain, etc. They are syndicated to tv stations in 76 cities in 32 states, three times a week, under the title "The Health Report, with Dr Red Duke".

UTTV charges each station between \$75 and \$1,000/week, depending on the size of the city, and has produced \$0.5m income so far. Contracts are for one year with network affiliates, which have exclusivity and first opportunity to renew.

UTTV also produces "Health Break", a 2-minute spot on different specialities, (eg, anaesthetist, paediatrician); and "Take Care", a video guide to pre-term labour, to show to parents in waiting areas, (this 7-minute video has sold 100 copies at \$100).

The films which I saw were impressive; they were very well produced and presented, and were of a consistently high quality.

UTTV's total budget is \$1.5m/y, which is 75% self-financing. It depends largely on its "star" doctor, Dr James H "Red" Duke, a general surgeon, although the health inserts do include other health experts. UTTV benefits from a cash income, name recognition leading to patient referrals, and an enhanced public service image.

With the deregulation of tv broadcasting in the

UK, there may be related opportunities for the NHS for health promotion, and general support for its increasing private patient activities. UTTV does not produce syndicated radio spots, or magazine and newspaper columns, but these might be appropriate in Britain.

Methodist Hospital, TMC

I visited the Sid W Richardson Institute for Preventative Medicine, an Institute of The Methodist Hospital, TMC, Houston.

The Institute's parking garage includes valet parking, and produces a "substantial revenue".

The Institute runs successful and profitable programmes in weight control, smoking cessation, stress management and alcohol abuse. It has a health and fitness club, and Chez Eddy, a gourmet healthy eating restaurant which serves food low in cholesterol, sodium and calories.

The Weight Control Program treats about 1,000 people each year with a behaviour modification and healthy eating plan. Participants meet for one hour a week, for eight weeks, at a total cost of \$320.

The Stop Smoking Program costs \$345 for eight 1.5h weekly sessions with a small group, on "non-adversive comprehensive behaviour modification".

The Stress Management Program costs \$345 for eight 2h weekly sessions, again featuring small groups and behaviour modification techniques.

St Luke's Episcopal Hospital, TMC

St Luke's is a 949-bed private, not-for-profit hospital offering a wide range of services, including surgery and over forty specialties of medical care.

St Luke's car parks sell petrol and offer car wash and oil change. The hospital earns additional income from laundry, steam, child care, meals on wheels, and private doctor billing.

A general interest health promotion magazine, HQ or Health Quarterly, is published with a 25,000 print run; its 36 pages are full colour, glossy, and it is directed (free) mainly at corporate decision-makers employing at least

100 staff, and at doctors. It costs \$50k per issue and carries no advertising, other than implicitly promoting its publisher. Free health screens are offered to employers making large donations to the hospital.

It was noted that the recent availability of \$8 disposable telephones provides another new product which may be sold to patients (for bedside use and to take home) and which simplifies this aspect of hospital management.

Child care facilities for slightly ill children (minor colds, etc) were seen as being attractive to working couples and appropriate for hospitals to provide. Often when a child has a cold, a regular agency will not accept it, and parents do not want to take a day off from work for a minor ailment.

10 - VOLUNTARY HOSPITALS OF AMERICA, INC, DALLAS

VHA Inc is a national alliance of more than 640 of the leading not-for-profit hospitals in the US, their 170 affiliates and 145,000 affiliated physicians. Together, these hospitals gain competitive strength while retaining their independence and local community ownership. VHA was founded in 1977 and has become a diversified health care corporation.

VHA Inc is responsible for building and managing the VHA System and developing national, regional and local programmes to improve the competitive position of VHA hospitals and their affiliated physicians. Either directly or through related companies such as VHA Enterprises, VHA Supply Co, PARTNERS National Health Plans and VHA Insurance Co, VHA provides services to help VHA hospitals achieve five key goals:

- improved operational and clinical performance
- enhanced alliances with physicians
- increased strength in managed care
- productive inter-hospital relationships
- expansion into non-acute services

VHA does not run any kind of central income generation programme, but many of its activities and those of its members would be considered "income generating".

My visit was kindly hosted by Robert J Kitzman, Senior Vice President, VHA Inc. Discussions were also held with Dale Thomas and Bob Vernon of Healthcare Venture Associates and Neil Godbey of The Godbey Group (all ex-VHA staff and still undertaking work for VHA).

A wide range of i/g projects was discussed and those referred to previously are not re-examined here. A selection of actual and potential income generation schemes reviewed is as follows:

- VHA runs a collection agency for outside companies, with a turnover of \$3-4m and profit at 10%.
- instead of NHS private beds and private wings, why not set up entirely separate private NHS hospitals, if we consider we have some real competitive advantages?
- the NHS should operate nursing homes or supply services to private homes: nursing, laundry, catering, cleaning, maintenance, management. We have the services in-house, and we can legitimately charge for them in the nursing home setting.
- Similarly, we could offer services to the larger retirement home communities.
- weight management was supported as being highly profitable, and capable of easy presentation as a health promotion measure.
- sale of prepackaged drugs to doctors, to avoid the patient needing to take his prescription to a chemist.
- enrolment programmes, eg, for senior citizens, are worth further examination, as is discount purchasing for our staff and resident population.

Two schemes in particular appeared innovative:

Home Diagnostic Testing

The direct sale of home diagnostic tests under an NHS brand name, in association with, eg, Boots. Tests might include those for diabetes, hyper tension, colon/rectal cancer, breast cancer self examination kit, etc. Risk Detector Inc is a startup company in Houston marketing test kits; typically, a kit costs \$2, is wholesaled at \$8 and is sold for \$15. This is an appropriate area for direct mail marketing or the use of print media advertising.

Linking Services

These are new computer information systems, capable of linking all health care related activities; they use new technology which is highly flexible and greatly enhances communications. Linking services are viewed as "new wave" and virgin territory for development; they have the same type of potential to, for example, corner a large part of the market for private healthcare as the American Airlines Sabre reservations system has for travel and hotel reservations.

Unimix is the AT&T linking service, also marketed by Olivetti; WalLink is from Wallace Inc (a major computer forms company) and Baxter-Travenol has a product. The system is minicomputer based, eg, 3B60 or MiniVax, and may cost in the region of \$10,000 per physician practice, or similar sized operational unit.

11 - BAYLOR UNIVERSITY MEDICAL CENTER, DALLAS

With Robert Kitman of VHA Inc, I visited Janis Robinson, Vice President of Baylor Health Care System, and Robert Paul, Vice President of Baylor Management Group.

Baylor University Medical Center is Dallas' largest hospital and a major teaching and research centre for the Southwest. It is the hub of the Baylor Health Care System, a network of health care facilities in North Texas. The main site contains a group of five hospitals on a 20-block city campus, with a hotel, several restaurants, a florist, an optical shop, a medical supply shop, a laundry and dry cleaning service, gift shops, pharmacy, travel agency, US Post Office and a barber shop.

Baylor has 1,509 beds and treats 240,000 patients annually including 37,000 inpatient admissions. It generates \$400m/y revenues and \$20m/y profit. There are 5,500 staff and 900 physicians.

Baylor runs a highly organised and profitable portfolio of income generating companies, under the Baylor Management Group banner. The group produces \$60m/y revenues and \$3m/y profit. It aims in due course to provide up to half of Baylor's total profits.

It was commented that "old school hospital administrators can't handle these businesses". Also, that BaylorFast (see below) was run initially by a clinical dietitian; he could not cope and it is managed by an MBA.

Parking

The parking lots contain 6,276 spaces and produce revenues of \$586k/y, even allowing for the 4,000 employees who are not charged for parking. Average charges are \$3.50/d. A valet service was tried but was not successful.

Baylor runs its own 8-pump, self service petrol station - Gasco. It costs staff members \$1/m to obtain a card (it is card operated), and payments are deducted via the payroll. Petrol is sold at a discount on major petrol station operators; 120,000 gallons/m are sold and profits are \$2k/m. Most staff belong to the scheme.

Medco

Medical Environmental Design Company is a construction company with annual sales of \$19m, pre-tax earnings of \$1m and a work load which is 20% external. It has to bid in competition for internal Baylor work, although it is a wholly owned subsidiary. Its work force of 250 handle mainly but not exclusively health care facilities, and their skills include joinery and cabinet making, plumbing, electrical, flooring and signage.

Healthcare Environmental Design

This firm provides professional design services including interior design to Medco and directly to other clients. It employs 43 professional architects and engineers and is the 4th or 5th largest firm in Dallas specialising in health care.

Medical Linen Service

This is a complete linen service offered by a wholly owned subsidiary company, using one of the largest commercial hospital laundries in the country. It can handle up to 15m lbs/y in a 43,000ft² facility, and is running at 10m lbs/y on an 8h shift at present. It has an income of \$3m and pre-tax profit of \$120k/y. One third of its workload is external, where it provides, rents and cleans hospital linen. Interestingly, it avoids non-medical work which is seen as a different type of operation, eg, heavy restaurant linen is

difficult to handle, and different colours add complexity: the equipment can cope but the overall process becomes over-complicated. (See Appendix).

Tower Travel Agency

This has small margins and is not profitable. (As in the UK there is a 10% commission, which improves if sales exceed \$2-3m/y.) It is retained to provide a service to the Baylor community (employees, patients, visitors, and Baylor and VHA corporate travel).

BaylorFast

This is Baylor's "branded" weight management programme. It is run at eight locations, hospital and freestanding, and is growing rapidly. It consists of fasting supported by a liquid protein supplement (for up to six months), nutrition counselling, and behaviour modification via group therapy. It is a "turn key" scheme which includes operations manuals, newspaper advertising, consumables, etc.

The programme is aimed at those at least 35lbs overweight (which is some 10% of the population) and the average weight loss is 85lbs, with a 30% relapse rate.

It costs about \$150k to open each freestanding unit and profits are 25% of turnover. Participants are charged \$3,000 up front and Baylor has some 3,000 enrolled. 95% are self-pay, not insured, and weight loss tends - perhaps surprisingly - not to be associated with other clinical treatment. (See Appendix).

General

Other programmes include:

- provision of security services externally, as well as to Baylor campus.
- a telecoms company, providing answering, paging, mobile telecoms and telephone marketing services.
- a wholly owned psoriasis treatment centre, with 2,500 patients treated successfully and 6% profit.
- One third owner of a hair loss research business, including transplants.
- sale of computer services: data processing, medical information systems.

- setting up a 50/50 joint venture IVF clinic, in partnership with the physicians involved: to charge \$5,000 per attempt.
- 55 Plus, an enrolment programme for the over 55s, which includes free transport to and from hospitals, upgrade from semi-private to private room, etc. 60,000 have enrolled so far, suggesting that this type of programme has a very strong appeal.

Baylor is contracting out many services such as cleaning and catering. It was considered that hospital managers will end up managing contracts for most of the services at present directly managed. Baylor Management Group is driving this process of change at Baylor University Medical Center, and its eventual goal to provide half of Baylor's profits appears achievable.

12 - SPECIAL PROJECTS

This is a selection of projects which appear to have the potential to earn significant profits for British health authorities. Almost by definition, they are "unusual", probably controversial, difficult to implement, and could have political overtones.

Car Parking

It is normal practice in North America to charge for hospital car parking; the parking facility is therefore of a high standard: convenient, secure, available. The user is happy to pay for the service. Potential problems associated with parking charges on hospital sites (emergency vehicles, patient setting down, employee parking, etc) have been overcome in various ways.

Other services, such as petrol, oil change, car wash, could be included on some sites.

Average gross revenue from car parking at large acute hospitals in Canada was C\$600k/y in 1985.

Many if not most British DHAs could obtain profits averaging perhaps £30,000/y from car park charges (excluding staff), while providing a better parking service and improved site traffic management. At least £5m/y is being forgone nationally. If the choice is between providing

more free health care, or providing free parking, it should not be too difficult to make. If or how to charge staff should provide an interesting debate.

Child Care

The NHS could operate a chain of "branded" child care centres, for staff and the general population, with the added advantage of accepting children suffering from minor ailments.

The image of the NHS in this field would be second to none and a premium could be charged relative to local markets, perhaps up to 50%

In addition to generating income, this would assist recruitment and retention of our staff, and provide a useful public service; by setting a high standard, it would provide the criterion against which competitors would be judged and tend to raise the general quality of child care.

Several health authorities have lead the way in this field but a larger scale and a widely recognisable "name" are necessary to develop fully this new service from the NHS. As well as setting up child care centres on its own premises, the NHS could franchise its system on other major employers' premises.

Franchising and Branding

In addition to child care centres, there are a number of other products and services which could be provided by the NHS on a commercial "chain" basis; either directly or via franchises or joint ventures, and supported by new, national brand names.

These include:

- Nursing Homes (and supplies and services to non-owned homes)
- Retirement Homes (ditto)
- "Graduated Care" facilities for the elderly (ditto)
- Spectacle Shops
- Weight Management Programmes (see below)
- Health Screening
- Home Diagnostic Test Kits

The Wall Street Journal of 14 October 1988 noted a number of areas where franchising allows hospitals to buy into a range of services at

a small fraction of the cost to create their own programmes. It cites examples including restaurants, alcohol treatment centres, health screening, laundry and kitchen programmes, substance abuse clinics, optometrists, weight loss clinics, etc.

Further in the future, and if NHS based retailing continues to expand, own brand national consumer products may become viable: aspirin, shampoos, vitamins, frozen foods, etc.

Weight Management

New York Hospital (\$350m/y revenue, 40,000 patients/y treated) produces \$1m/y revenue from its weight management programme.

This is an attractive area for NHS income generation for a number of reasons: it is a health care related product; the NHS could do it better than other potential providers; most potential customers are not receiving other treatment; the service is not provided in an organised way at present; it is capable of being charged for, like health screening, without being considered a "free" NHS service; it has health benefits; it can be packaged as a national "franchised" product which can be added to a hospital's range of services at very low cost; there is a large potential market; and it can be very profitable.

Low calorie liquid diets often form a part of these programmes; originally popular in the 1970's, today's versions are said to be much improved and safer to use for extended periods.

General Medical Supplies

There are a number of existing health care related consumer products, carried by chemists and various specialised retailers, which could be marketed by the NHS. These might include products concerning fitness, healthy living, healthy eating, nutrition, chronic diseases, diabetes, special needs of children and the elderly, etc. Again, it would not be inappropriate for the NHS to market such products; its "seal of approval" would be important to consumers, and many sales opportunities exist for the NHS: mail order catalogues, hospital shops, clinics, etc.

Hotels

Apart from providing hotels ourselves (for

visitors, relatives and convalescents), or providing hotel services to hotels, we should set up special deals with existing, non-owned hotels close to suitable hospitals: in exchange for us directly marketing the hotel to our users, the hotel gives all such NHS "contacts" a discount and the NHS a commission. In the USA, hotel discounts to hospital users of 30% were not uncommon. (See Appendix).

Own Staff

Depending on who is counting, we have about 1,250,000 staff in the NHS. This can become an even more valuable group, if we do not mind people selling things to them with NHS assistance.

The value to many companies of promoting their goods directly to such a group is high; high enough, for example, for us to pay to advertise the opportunity nationally. In addition, we will be able in many cases to obtain discounts for staff.

Appointment Deposits

Find mechanisms for charging patients a small deposit at the time of making an outpatient appointment or setting a date for admission, returnable in full if the patient keeps the appointment or cancels/changes it in advance.

This will save money, make money, and improve health care.

13 - MANAGEMENT APPROACH

There are a lot of different, effective management approaches to income generation in the North American hospitals I visited. Clearly, if it works for your circumstances, it's a good approach. The only rule, perhaps, is not to have too many rules but to judge by results. At least with income generation, it should not be difficult to determine the results.

One successful hospital did not want a director of marketing, for fear everyone else would sit back and leave it all to him. Another equally successful site employed a full-time MBA to co-ordinate the management of revenue generation.

One organisation is directly managing all its

internal services and encouraging them to obtain additional external contracts; another is busy spinning off its services into separate companies, which must bid competitively for their owner's work.

Some North American hospitals are ditching PRP, PPOs, HMOs and other acronyms, while we are pursuing them.

Yet again, some hospitals are convinced that they get more cash output per management cost input by ignoring what we call income generation and concentrating on cost reduction and service reimbursement.

Recommendations

Nevertheless, there is a number of fairly obvious common threads to successful income generation:

- Income generation happens mainly at department level, so act accordingly.
- Retain a sufficient level of incentive at department level, but be flexible: each case may have different merits. But don't give the department complete freedom to spend its share of income: its wants may not fit the hospital's needs.
- Projects are generally group efforts; don't select individuals for special rewards.
- Avoid bureaucracy: it stifles innovation and motivation.
- Provide a strong drive from the top to identify and develop opportunities, but don't give detailed direction.
- Try to make income generation part of the fabric of local management, not an add-on.
- Accept that not all managers are willing or able to run income generation schemes as well as their core duties. Be selective.
- Taking successful, well run internal services to the outside world generally works well. There are few internal services for which no external market exists.
- Produce business plans for projects, not for

your organisation's income generation programme as a whole. The global business plan can stifle new ideas.

- Remember that, in addition to cash, income generation projects may also result in the "home" department or hospital being generally better run.

- Management of individual i/g schemes depends on the size and nature of the project, but should generally be decentralised: it works best at grass roots level.

- Finally, don't expect the above necessarily to apply to you.

14 - APPENDIX

Brochures describing income generation services:

Ottawa General Hospital

- catering, cleaning, tv, parking

Memorial Care Systems, Houston

- enrolment programmes, telephone advice lines, retirement homes

Houston

- hotels, Dr Red Duke, stop smoking programme

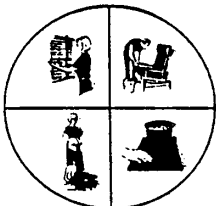
Baylor University Medical Center

- BaylorFast, psoriasis center, biomedical services, Medco, Medical Linen Service, Medical Plaza Hotel

Housekeeping by People Who Care



Profits go towards the purchase of new equipment and to provide funding for special hospital and research programs. All this is done with the purpose of providing continual and improved patient care.



Services Available

1. Spring cleaning
2. Walls and window washing
3. Rugs, floors and furniture cleaning
4. Building cleaning

CALL NOW!

Ottawa General Hospital
Housekeeping Services
c/o Ernest Thénault or Mario Crites
501 Smyth, Ottawa, Ontario
(613) 737-8388

Printed by the Ottawa General Hospital



REÇU OFFICIEL DE STATIONNEMENT
PARKING GARAGE OFFICIAL RECEIPT

LE SERVICE DE TRAITEUR CORDON BLEU

LE CHOIX DU GOURMET

	Coquetel de Crevettes (5 par personne)	4.75
No. 1	Poulet à la Française	7.25
No. 2	Côtelette d'agneau Vert Pré	7.95
No. 3	Filet de Sole Amandine	8.75
No. 4	Veau à la Viennoise	9.25
No. 5	Filet Mignon 6 on.	13.25
No. 6	L'assiette de Filet et Crevettes	14.75

Tous sont servis avec potage/jus, légume, pomme de terre, breuvage et dessert / Petits pains et beurre

La taxe de vente provinciale sera ajoutée

Pour commander ce repas, composez le numéro 737-8101 (8h00 à 17h00) au moins 24 heures à l'avance. Le repas doit être pré-payé ou payé au moment de la réception.

(Les patients qui suivent un régime prescrit doivent obtenir l'autorisation de la diététicienne)

CORDON BLEU CATERING

THE GOURMET SELECTION

	Shrimp Cocktail (5 per person)	4.75
No. 1	Chicken Française	7.25
No. 2	Lamb Chops Vert Pré	7.95
No. 3	Filet of Sole Amandine	8.75
No. 4	Veal Viennoise	9.25
No. 5	Beef Tenderloin 6 oz.	13.25
No. 6	Surf 'N Turf (Beef Tenderloin & Shrimps)	14.75

All are served with soup/juice, vegetable, potatoes, beverage and dessert / Roll and butter

Provincial sales tax is applicable

To order, call 737-8101 (8:00 hrs - 17:00 hrs) at least 24 hours in advance. The meal must be prepaid or paid upon reception.

(Patients on special diets must have approval of the diétitian)

Imprimé par l'Hôpital général d'Ottawa / Printed by the Ottawa General Hospital

UNE FAÇON AGRÉABLE D'ÉGAYER VOTRE SÉJOUR

Pour votre sécurité et votre plaisir, l'hôpital a autorisé un service personnalisé de téléviseur que nous vous offrons tous les après-midi.

Pour commander votre téléviseur personnel:

- Remplissez ce bon de commande (en lettres moulées s.v.p.)
- Déposez-le au centre de contrôle administratif de votre étage, ou composez le 8114, ou remettez-le au préposé au service de télévision.
- Rappelez-vous que le paiement est exigible au moment de l'installation et/ou du renouvellement.

MERCI - BONNE JOURNÉE

A PLEASANT WAY TO BRIGHTEN YOUR DAY

With your safety and enjoyment in mind, the hospital has approved the personalized television service, providing daily afternoon service.

To order your personal TV set:

- Fill out this form (Please print).
- Give it to the administrative control centre of your floor, or call 8114, or TV attendant.
- Please note that payment is due upon installation or renewal.

THANK YOU - HAVE A NICE DAY

Relief Is On The Way...

*Memorial's free Preferred
Partner Card assures you
of high-quality medical
care—and some special
extras, too.*



M EMORIAL 55+

"If you're at least 55 years
of age, then I'm holding
your Passport to a better
way of living life to its full-
est and loving it. I'm your
personal guide in a new
health care adventure."

Mary Ross
Care Consultant



24 HOUR EMERGENCY SERVICES

ABUSE

Child Abuse, Neglect
Harris County Children's Protection Center 526-5701
(night) 664-5701
Parents Anonymous (Crisis Hotline) 228-1505
Battered Women (Crisis Hotline) 228-1505

AMBULANCE

Houston 911
Harris County 221-6000

DRUGS

Crisis Hotline 228-1505
University of Houston College of Pharmacy —
Turner Drug Information Center (9 a.m. — 5 p.m.) 796-9294

NURSING HOME

Texas Department of Health Nursing
Complaint Hotline (Tape) 1-800-252-9106

POISON

Southeast Texas Poison Center 654-1701

POLICE

Houston Police Department 222-3131
Harris County Sheriff 221-6000

RAPE

Houston Rape Crisis Coalition — Crisis Hotline 228-1505

SUICIDE AND DEPRESSION

Crisis Hotline 228-1505

VENERAL DISEASE CONTROL INFORMATION LINE

(Taped Message) 790-9277

HEALTH-LINE

776-5050 (Houston)

1-800-392-5207 (Outside Houston)

Health-Line is a public service provided free of charge by the units of Memorial Care Systems: Memorial Northwest, Memorial Southeast and Memorial Southwest, all of Houston; The Memorial Health Center, Sugar Land; El Campo Memorial, El Campo; Matagorda General, Bay City; Polly Ryon Memorial, Richmond; Wagner General, Palacios.



Memorial Care Systems
Department of Health Promotion

HEALTH-LINE

...Includes "TELEFRIEND" and "PLAIN-TALK FOR PARENTS"

...a tape-recorded library of health and medical information as close as the telephone.

776-5050

(Local Houston Telephone Number)

1-800-392-5207

(Free, Long-Distance Telephone
Number for Callers outside Houston)



Memorial Care Systems
Department of Health Promotion

LINEA DE TELEFONOS PARA LA SALUD

... Una biblioteca de salud y información médica grabada en cassettes, muy cerca suyo, a través del teléfono.

776-5050

(Número de teléfono para llamadas
locales dentro de Houston)

1-800-392-5207

(para llamadas de larga distancia
gratis, para las personas que llamen
desde fuera de Houston)

Quality Health Care is at Your Door

University Place is a project of Memorial Senior Services, a subsidiary of Memorial Care Systems. This non-profit health organization has been in existence since 1907. Memorial Care Systems is now responsible for the operation of three major hospitals in the Houston area.

In addition, Memorial 55+ is an innovative program designed to ease health care for senior adults 55 and older. Members are eligible for streamlined hospital admission and discharge along with discounted parking and cafeteria services. They can take advantage of planned travel events. Free physician and dentist referral services are provided as are medical seminars. As a University Place resident, you are automatically a member of Memorial 55+.

Memorial Care Systems is committed to meeting the needs of the community by providing personalized, high-quality, cost-effective services.

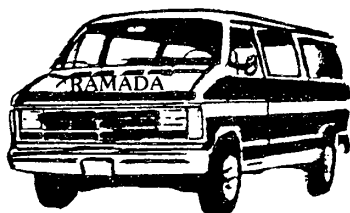


University Place is located adjacent to the Memorial Southwest Hospital facilities. This 600-bed acute care hospital has over 1000 skilled and qualified physicians on staff. The University of Texas Medical School's Family Practice Residency Program is located at Memorial Southwest Hospital. The hospital offers a full range of medical and surgical specialties along with a 24-hour emergency center. Skilled nursing care for University Place residents will initially be provided within Memorial Southwest Hospital.

**Ramada Inn Greenway Plaza
is only minutes from:**

	Minutes
* 1. Houston Medical Center	8
* 2. Post Oak Airport Terminal	5
3. Albert Thomas Convention Center	6
4. George R. Brown Convention Center	8
5. The Park Shopping Center	8
6. Hermann Park Zoo, Golf, Museums	8
7. Galleria I, II & III Shopping Complex	5
8. Astrodome, AstroWorld	10
9. William P. Hobby Airport	20
10. Houston Intercontinental Airport	45
11. Rice University	8
12. Downtown	4
13. The Summit Arena	2
†14. NASA	60
†15. Galveston	75

†Gray Line Tours available. Pick-up in our Lobby.



***Complimentary Van Service
provided for Ramada Inn guests.**

RAMADA® INN
Near Greenway Plaza
2929 Southwest Freeway
Houston, Texas 77098
713-528-6161
or 1-800-2-RAMADA
or 1-800-999-2929

RAMADA®
Let us be your . . .
**Medical Connection
in Houston. . .**



**Special Package Plan
for
Patients and Family
Members**

RAMADA® INN
Near Greenway Plaza
Located 3 miles · 8 minutes
from Medical Complex
2929 Southwest Freeway
Houston, Texas 77098
713-528-6161

THE HEALTH REPORT with DR. "RED" DUKE

The Health Report with Dr. "Red" Duke has been a trusted source of health information for television viewers across the nation since 1982. Dr. Duke has the unique ability to translate complex medical terminology into easy to understand language without sounding condescending. The Health Reports deal with issues of interest to a wide range of people and encourage viewers to take more responsibility for their health care.

His down-to-earth style of presenting health information has not gone unnoticed. Dr. Duke has been featured on the NBC Nightly News, on the Today show, and in two national PM Magazine features. In addition, numerous newspaper and magazine articles have been written about the TV doc.

UT-TV PRODUCTION

The programs are produced by UT-TV. Three Health Reports are provided each week, complete with scripts and anchor-intros. The air-ready programs are shipped approximately ten days to two weeks prior to airdate and each report may be aired as frequently as desired for two weeks. Very careful attention is given each Health Report to ensure professional broadcast quality. Discerning news directors from coast to coast have complimented the in-depth research, writing and production quality that UT-TV strives for in each Health Report.

UT-TV also operates a television network for health professionals in the Texas Medical Center and surrounding medical institutions.



Dr. James H. "Red" Duke, host of the Health Reports, is a professor of surgery at The University of Texas Medical School at Houston and medical director of Life Flight operations at Houston's Hermann Hospital.

Dr. Duke received his

M.D. degree in 1960 at The University of Texas Southwestern Medical School in Dallas and later did graduate study in chemical engineering, biochemistry and computer science at Columbia University in New York.

For two years, 1970-72, Duke was in Afghanistan as chairman of surgery at Nangarhar University and attending surgeon at its hospital.

As a man of seeming contrasts — distinguished professor, surgeon, minister, lover of country music, friend of Willie Nelson and a major supporter of an active program to restore the bighorn sheep in the mountains of West Texas — he took in stride an invitation to try his hand in television.

What came out of that is evidence that Duke, among all other things, is a communicator.

**DR. "RED" DUKE'S HEALTH REPORT
ATTRACTS VIEWERS • BUILDS RATINGS**

CONTACT: MARK CARLTON (713) 792-4633
1100 Holcombe • Suite 1900 • Houston, TX • 77030

Methodist

Sid W. Richardson
Institute for Preventive Medicine

THE STOP SMOKING PROGRAM

How many times have you smoked your last cigarette? How many times have you unsuccessfully tried to quit? The reasons to stop smoking are clear, but physical and psychological addictions have kept you from quitting up to now. You can learn to control the forces that have defeated you in the past — through **The Methodist Hospital's Stop Smoking Program.**

PROGRAM:

The Stop Smoking Program is a medically sound, small group approach. The program uses nonadversive, comprehensive behavior modification. The goal of the program is simple and attainable: complete smoking abstinence for a lifetime.

The Methodist Hospital's Stop Smoking Program consists of one 90 minute session each week for eight weeks. The program is under the direction of a clinical psychologist and is conducted by a licensed healthcare professional.

The initial phase of the Stop Smoking Program is designed to eliminate painful withdrawal symptoms. The program focuses on long-term success by overcoming the psychological addiction to smoking. As a result, urges to smoke are alleviated and relapse is prevented.

PROGRAM LENGTH:

The Stop Smoking Program is 8 weeks in length and meets for one 90 minute session each week.

Monthly follow-up sessions are provided at no charge to ensure success by providing ongoing professional support and assistance.

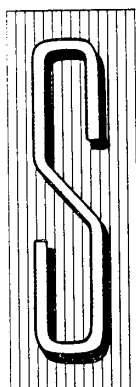
YOU WILL LEARN TO:

- Eliminate the "cues" that signal you to smoke.
- Minimize and deal with possible side effects, such as irritability, anxiety and weight gain.
- Effectively handle rationalizations for smoking.
- Overcome and control urges to smoke.
- Effectively deal with stress that causes you to smoke.
- Gradually stop smoking at your own pace.
- Understand the reasons why you smoke and how to overcome them.
- Learn to monitor your own smoking behavior.
- Set realistic goals to reinforce your stop smoking effort and to provide yourself with positive feedback and support.

CALL 790-3000 FOR REGISTRATION OR INFORMATION

Please turn page over for additional information

B 345⁰⁰ for 8 weeks
1 1/2 hr



Successful weight loss: BaylorFast.

BaylorFast is a medically supervised weight management program designed for men and women who need to lose 35 pounds or more,

or who have been referred to us by their physicians.

Physicians associated with the BaylorFast program are with you every step of the way, monitoring your progress, and your health. Registered dietitians offer counseling on the importance of the right kind of diet. Behaviorists work with you to help you change your feelings about food and about yourself. And exercise physiologists offer guidance and instruction on increasing your level of physical activity. They'll be working with you to help make the program successful from the start.

BaylorFast is a new beginning. BaylorFast provides the strong guidance and support of teams of medical personnel who not only lead you through a program of weight loss but also teach you how to eat properly so that you can maintain your weight loss for the rest of your life.

"One of the prime benefits of the BaylorFast program is that they teach you to understand how you get in that spot in the first place. What habits you formed and the mind set you get into. Then they teach you to break those habits and how to cope with the modern day world as far as eating is concerned."

Kathy O'Neill, Dallas, Texas



Support Services Offered By The Baylor Psoriasis Center

The Baylor Psoriasis Center also offers a number of special services and assistance. These include:

- A physician referral service to locate a dermatologist
- A complete pharmacy for prescription services
- Complete diagnostic lab work
- An on-site hotel and restaurant for extended-stay patients
- Assistance with insurance claim filing
- Instructions and education for continued home treatment of psoriasis

Your Psoriasis Is Treatable

Although a cure for psoriasis has not been discovered, the disease can be treated at the Baylor Psoriasis Center to relieve the distress and severity of an outbreak.

The Baylor Psoriasis Center is part of the Baylor Health Care System, providing innovative health care to North Texas for more than 80 years.


THE BAYLOR PSORIASIS CENTER
IS OPEN MONDAY THROUGH
FRIDAY FROM 7 AM TO 5:30 PM,
AND ON SATURDAY FROM 7 AM
TO 1 PM.

Psoriasis.

**It's distressing.
It's embarrassing.
It's chronic.**

It's treatable.

**The Baylor
Psoriasis Center.**

 A Service of the Baylor Health Care System

B.B.S. A Comprehensive Program of Biomedical Services

Baylor Biomedical Services responds to the Dallas Ft. Worth medical community by providing a full range of biomedical design and support services. B.B.S. consists of an exceptionally qualified staff of engineers and technicians. Over the past seven years this staff has served the Baylor University Medical Center. In that time they have accumulated the experience, instrumentation, and parts needed to handle nearly any medical equipment need in a rapid and competent manner.

Jeff Butler, M.S.E.E.

Vice President, Design Engineer
Cardiology • Critical Care • O.R.

Richard Roa, D.Sc., C.C.E.

Vice President, Design Engineer
Clinical Laboratory

Steve Juett, B.S.E.E.

Clinical Engineer
Telemetry • Labor Delivery
Neonatal technology • Design

Rex Moses, B.S. (Bioengineering)

Clinical Engineer
Hemodialysis • Monitoring
Surgical Lasers • Design

Forrest Parker, B.S. (Bioengineering)

Clinical Engineer
Cardiology • Rehabilitation
System Development

David Bilder, A.A.S.

Biomedical Electronics Technician
Medical Lasers • O.R. • Monitoring

David Braeutigam, A.A.S.

Biomedical Electronics Technician
Infusion Pumps • Defibrillators
Physical Therapy

Richard Swim, A.A.S., C.L.E.S.

Biomedical Electronics Technician
Clinical Laboratories • Instrumentation



EQUIPMENT PREPURCHASE EVALUATIONS

Engineering expertise and experience in clinical needs are applied to the individual requirements of each customer. The end product is a recommendation which allows the customer to base an equipment purchase upon comprehensive information and alternatives. Analysis of cost-effectiveness, space requirements, equipment options, performance, compatibility, ease of use, expandability, reliability, manufacturer stability, local service, and many other factors is presented within every report. Additionally, B.B.S. utilizes an excellent group of affiliated clinical consultants that bring valuable nursing, physician, and technician experience to the customer.

PREVENTIVE MAINTENANCE

The heart of any Preventive Maintenance Program is documentation and cost-effectiveness. B.B.S. utilizes computerized scheduling and documentation to meet all regulatory agency needs while also providing the customer with useful information. The aim of the program is to increase reliability and decrease down-time due to major repair. Service and preventive maintenance contracts can be consolidated with one comprehensive program.

EQUIPMENT REPAIR

B.B.S. offers a responsive 24 hour on call service, backed by the most experienced and capable biomedical engineers and technicians in the Southwest. Our staff is qualified to provide service for all your medical applications. B.B.S. purchases from a wide range of manufacturers and distributors. Our extensive parts inventory will often allow for an immediate repair eliminating unnecessary equipment down time.

CUSTOM DESIGN

B.B.S. has 5 design engineers with a total of 36 years experience in the design and modification of analog and digital circuits. A major portion of that experience involves medical instrumentation systems. In the past several years, we have designed and built systems based on the Z80, 8085 and 6502 microprocessors. We are currently preparing a development system for use with the 68000, a state of the art microprocessor. A typical design completed and in service is a 16 channel central station for a Labor & Delivery unit which displays trends for heart rate, uterine contractions and fetal heart rate variability. Examples of other designs include a multifunction physiological recorder for intracranial pressure measurements, a multichannel TENS unit for office use, and a 16 channel temperature monitor with alarms and printed summaries.

B.B.S. is ready to provide all phases of new product development from initial research and feasibility studies through design and construction of the final product.

ELECTRICAL SAFETY TESTING/INSPECTIONS

B.B.S. will perform tests and inspections in accordance with the requirements of the J.C.A.H., C.A.P., Medicare-Medicaid, and the Texas Department of Health Licensing Division.



FOR MORE INFORMATION CALL

Baylor Biomedical Services

214-820-2176

For quick repairs, depend on BBS

Down-time caused by computer problems means a decrease in office productivity, no matter how large your staff may be. To minimize down-time, turn to the experienced staff of Baylor Biomedical Services (BBS) for complete computer maintenance.

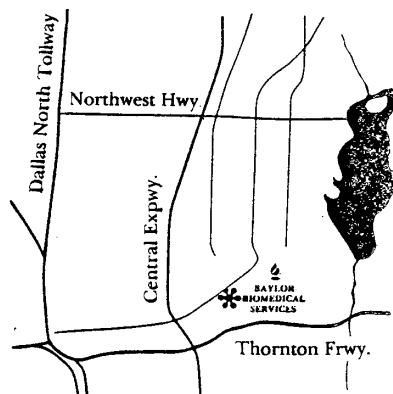
To avoid down-time, BBS offers:

- Preventive maintenance
- Complete service and repairs for IBM PCs and compatibles, printers, modems, and other peripherals
- On-site or carry-in repairs
- Charges based on time and materials or optional service contract



If your office needs have changed, BBS can provide:

- Technical support
 - Assistance in installing personal computer systems
 - Assistance in upgrading existing office systems
- Telephone support for diagnosing user problems with new equipment



Because BBS is located nearby, we can offer:

Quick response

Guaranteed response within 24 hours

We limit our clients to a defined service area

Our staff is completely familiar with IBM PCs, IBM-compatibles, and the peripherals for personal computer systems, providing you with:

Experience

As an affiliate of the Baylor Health Care System, BBS has been responsible for the maintenance and repair of personal computer systems throughout the medical center and its affiliates

Current clients range from offices with one PC to networks including many PCs

Baylor Biomedical Services
820-2176

E

Introduction

Medical Environment Development Corporation (MEDCO) is a large construction corporation that specializes in remodeling/construction of hospitals, doctors' offices and medical facilities of all types.

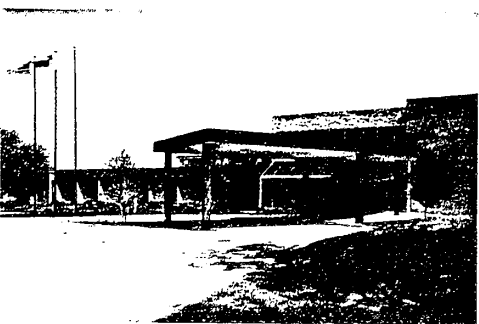
MEDCO has been in the health care construction/remodeling business since 1964. It began as an in-house construction division of Baylor University Medical Center Engineering Department and became a separate corporation in December 1984, having grown from a three-man operation to a major contractor with over 260 employees.

Services

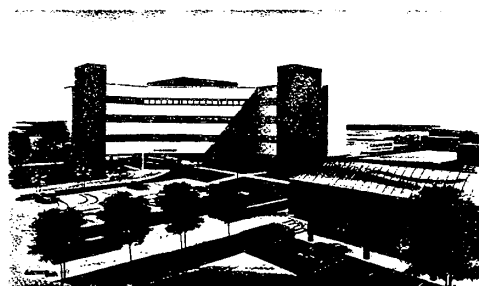
MEDCO is capable of providing construction services of any type that is needed. It has the personnel and experience to do the smallest interior renovation, as well as multimillion dollar renovation or construction projects. The characteristic that we at MEDCO are most proud of is our ability to offer our clients a complete construction package, with all details custom-tailored to their needs.



Professional Offices Grapevine, Texas



Baylor Medical Center at Ennis

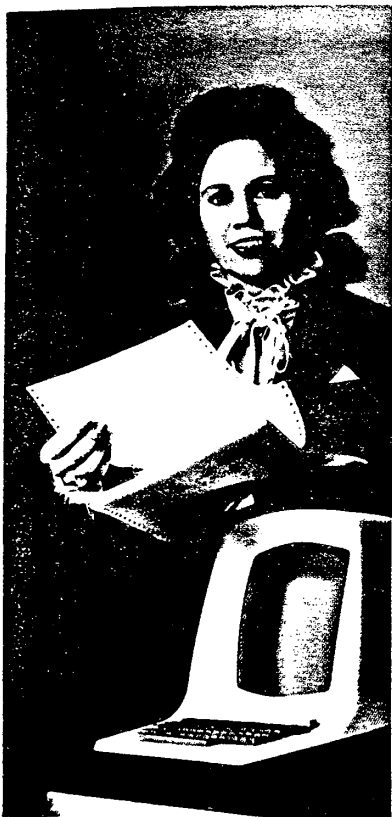


Baylor Medical Center at Grapevine, Patient Tower Addition



Medco Construction

Construction	Fire Protection Sprinkler
Consultation	Systems
Site Development	Landscape Sprinkler
Construction Estimates	Systems
Demolition	Fire Protection (Life
Carpentry	Safety) Systems
Cabinet Work	Nurse Call Systems
Interior Finishes	Public Address Systems
Flooring	Telephone Systems
Painting	Air Conditioning
Plumbing	Systems
Electrical	Radiation Shielding



The computerization of linen management at Medical Linen

Service permits us to serve your hospital more efficiently.

We can assist you in establishing linen use policies and standards. We can also assist you with record-keeping and recording systems to minimize overuse, eliminate waste, control costs and reduce paperwork.



A Par Level System for patient care linen enables us to assure our customers of a constant inventory. A Medical Linen Services account manager assigned to your hospital will work with your staff to determine the proper quantities of linens for each user unit, plus adequate reserves for your linen room. We will review par levels monthly, adjust them as required, and report to you promptly on compliance.

A hotel, a hospital,

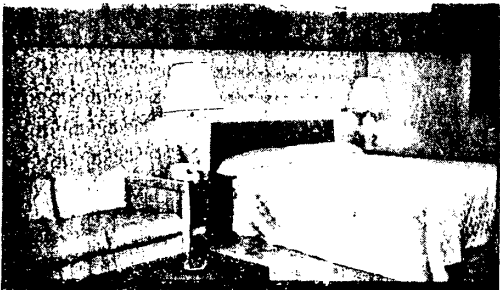
Would you expect to find luxurious hotel accommodations overlooking a garden courtyard in any hospital? Probably not.

Baylor University Medical Center is not just any hospital, and the hotel in the adjoining Baylor Medical Plaza provides some of Dallas' most comfortable hotel rooms and suites, exquisitely furnished and moderately priced.

The hotel accommodations in the Plaza's twin towers provides patients, their families and seminar participants much more than a resting place. Each with individual climate control, color television, telephone and private bath, the varied rooms and suites offer all the comforts of home and then some.

Ice makers, vending machines and the Deli provide convenient late night snacks.

High speed elevators transport guests directly from the underground parking garage to hotel levels. Security guards afford guests an additional feeling of comfort.



Medical seminar facilities

Just as in any hotel, you are free to come and go for various needs and services. However, when you stay in the hotel within Baylor Medical Plaza, you may not need to go.

The Plaza Buffet offers a large selection of salads, entrees, vegetables, condiments and desserts from 11 a.m. to 2 p.m. Monday thru Friday. With plate glass window walls overlooking the garden courtyard, the Plaza Buffet is a delightful setting for privately catered pre-seminar breakfasts, afternoon receptions or dinner meetings.

The Plaza Delicatessen, open 24 hours a day, provides fast food service and a menu including breakfast foods, burgers, sandwiches, soups, salads and snacks. Take-out service is available.

The Chuck Wagon, featuring Texas barbecue, 11 a.m. to 6:30 p.m. Monday thru Friday serves superb beef, ham and sausage along with western style beans and other gastronomical delights seasoned to please Texans and visitors alike.

A barber shop and beauty parlor are located just off the corridor leading to the Plaza restaurants. In an adjacent corridor, a laundry and dry cleaning service is ready to serve you in the Plaza Mart. Outgoing mail, money orders and stamps can be obtained in the U.S. Post Office behind the elevator lobby. A medical supply shop and pharmacy are available to fill prescription needs; crutches, wheel chairs etc.



Baylor Medical Plaza

A single corridor, completely enclosed and climate controlled, leads from the Plaza to the A. Webb Roberts Center for continuing Education in the Health Sciences. Where else can you leave your room at 7:55 a.m. and be early for an 8 a.m. meeting in Beasley Auditorium? During the 15-minute break between sessions, you may go to your room and return without missing any of the meeting. And when you stay in the Plaza Hotel, you can easily return to the auditorium for the notebook you forgot.

Baylor Medical Plaza: a hotel, restaurants, pharmacy, medical supply shop, beauty parlor, barber shop, laundry and dry-cleaning service, post office, parking garage. And all of this is convenient to various diagnostic and therapeutic treatment centers such as the Sammons Cancer Center, Hunt Heart Center and Baylor University School of Nursing.



BAYLOR MEDICAL PLAZA HOTEL

3600 Gaston Avenue, Dallas, Texas 75246
Telephone 214/820-3184

King's Fund



54001001382921

