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PAY BEDS COMMITTEE

1927—1928

SUMMARY OF REPORT

WITH PARTICULARS OF PAY BEDS IN 1936

Price Three Pence post free.

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March, 1936

PAY BEDS COMMITTEE

H.R.H. The Prince of Wales, as President of King Edward's Hospital Fund, appointed a Special Committee in 1927, consisting of the late Viscount Hambleden, Chairman, the late Sir John Rose Bradford, the late Sir Bernard Mallet, Mr. Warren Low, and Professor Winifred Cullis, to inquire and report upon the question of hospital accommodation in London for persons prepared to pay more than ordinary Voluntary Hospital patients. The Committee reported in July, 1928.*

Owing to the illness and death of Lord Hambleden, which was such a severe loss to the Voluntary Hospitals, Sir John Rose Bradford signed the Report as Acting Chairman. But Lord Hambleden had taken part in the whole of the inquiry and had seen the proof of the Report.

The late Lord Somerleyton, Sir Leonard Cohen and Sir Harold Wernher, Honorary Secretaries of the King's Fund, regularly attended the meetings and took part in the discussions on the Report.

The Report contains a signed Summary which is here reprinted. In the full Report it forms the concluding Section and has marginal references to the paragraphs in the body of the Report where the various subjects are discussed at greater length.*

The present reprint of the Summary is followed by an appendix giving particulars of the increased pay bed provision at the London Voluntary Hospitals since 1928. There were then 1,055 pay beds at 80 Hospitals: in December, 1935, there were 1,997 at 107 Hospitals.†

10, OLD JEWRY, E.C.2.
March, 1936.

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* The full Report is published for the King's Fund by Geo. Barber & Son, Limited, Furnival Street, E.C.4, PART I: Report of Committee with Appendices; PART II: Minutes of Evidence; 1s., post free 1s. 5d. (each part).

† A pamphlet giving the names of the Hospitals and particulars of the pay beds and the hospital charges is published annually for the King's Fund by Geo. Barber, price 3d. (See page 11 below.)

NOTE TO REPORT.

"The term 'pay bed patients' is suggested by the title of the Committee. The alternative 'paying patients' is ambiguous now that so many ordinary patients contribute according to their means, while 'private patients' is often used for patients in single rooms, or for the patients in the private practice of members of the medical staff."

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PAY BEDS AT LONDON VOLUNTARY HOSPITALS

SUMMARY OF REPORT OF PAY BEDS COMMITTEE

A. GENERAL SUMMARY OF REPORT

Definition of ordinary and pay bed patients.

1. Ordinary Voluntary Hospital patients may be regarded, generally speaking, as those who come within the income limits of the National Insurance Act or the Hospital Saving Association, i.e., below £250 to £300 a year. They are either treated in the ordinary wards free or contribute voluntarily towards their maintenance, according to their means. Their maximum contributions rarely exceed 2 guineas a week, the average for those who contribute being 15s. or less.

2. Those for whom the question of special or "pay bed" accommodation has to be considered consist primarily, though not exclusively, of persons of moderate means who can pay up to 4, 5, 6 or sometimes 7 guineas a week and a limited amount in medical fees, their maximum income being variously placed at £500, £1,000 or even £1,500 a year or more, according to their circumstances.

Pay bed accommodation in 1928.*

3. There are already pay beds at 80 of the Voluntary Hospitals of London, the total number of such beds being 1,055, of which 522 are at Special Hospitals.* The accommodation includes single-bedded rooms or cubicles, small wards of from 2 to 8 beds, and large wards up to 24 beds, with or without curtains. Besides this greater degree of privacy, there is usually a fuller or more varied diet than in the ordinary wards, and often other special amenities or privileges as well.

Hospital charges.

4. The weekly charges for maintenance in these beds range from 2 guineas a week up to 10 guineas or more. There are about 557 beds at 4 to 5 guineas; 158 beds at 6 guineas; 230 beds at 3 guineas or less; and 100 beds at 7 guineas or more.* Charges vary partly with the class of Hospital,

* For later figures, *see* Appendix; and also for particulars of beds at seven guineas or more.

partly with the kind of accommodation, partly with the class of patient catered for, partly with other circumstances. Sometimes the charge is designed just to cover the maintenance cost. Sometimes the charges are less than the cost, and the difference is made up out of the general fund of the Hospital. Sometimes there is a profit, which is used to assist the general work of the Hospital. Sometimes there is a deficit on some of the pay beds, covered by a profit made on others.

5. The Hospital often makes extra charges for specific services which are not included in the weekly charge. These may include anæsthetist, use of operating theatre, X-ray, pathological examinations, special nurses, etc.

Medical and Surgical fees.

6. Besides the Hospital charges for maintenance and extras, the pay bed patient normally pays a fee to his physician or surgeon. The amount of the fee is usually arranged privately between doctor and patient. It may include some of the extras. It is often on a modified scale. Sometimes the fee is arranged by the Hospital; occasionally there is a fixed maximum; and at a few Hospitals no medical fee is permitted at all. At others, patients of limited means may be treated free.

Arrangements for medical attendance.

7. As regards choice of medical attendant, treatment in about 640 pay beds at 53 Hospitals is confined to the medical staff of the Hospital. In about 200 beds at 13 Hospitals it is open to other recognised Consultants. In about 160 beds at 19 Hospitals there is free choice of any Registered Practitioner; 12 of these are small suburban or Cottage Hospitals, 2 are Special Hospitals, and there are exceptional circumstances at the others. At almost every Hospital the patient's own General Practitioner is encouraged to keep in touch.*

Classes of patients admitted.

8. The patients using the accommodation thus described are mostly persons of moderate means, able to pay charges approximately covering their maintenance cost and also a modified medical fee. A few Hospitals provide pay bed accommodation for patients in straitened circumstances, unable to pay more than ordinary patients, if as much. There is also a small number of beds specially provided for

* For later figures, *see* Appendix.

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well-to-do patients able to pay high charges and ordinary fees, the Hospital making a profit. At some Hospitals with moderately priced pay beds there is a more or less definite income limit; at others it is an understanding with the medical staff that the beds are intended for persons of moderate means; at a few, mostly suburban, there is no such rule or understanding at all.

Demand for additional pay beds.

9. It has been made abundantly clear that there is an unsatisfied demand for more pay bed accommodation. The evidence comes from Hospitals that have pay beds, from Hospitals that have none, from medical witnesses speaking from their own experience, from associations representing various professions and sections of the middle classes, and from other witnesses. Patients who could afford the cost of pay bed accommodation are sometimes admitted into the ordinary wards of Hospitals without pay beds, because they need full Hospital facilities. As regards class of accommodation, there is most frequently a desire for single-bedded rooms, if these can be provided cheaply enough. As regards capacity to pay, the largest demands comes from two sections —those who have a rather higher income than the ordinary Hospital patient, but who yet cannot afford the full cost of a pay bed as well as a reduced medical fee; and those somewhat better off, who can afford 4, 5 or 6 guineas a week and a moderate fee. There is also a demand for beds at higher rates from those who can afford Nursing Home charges, but who cannot readily obtain elsewhere the full facilities which a Hospital provides.

Methods of increasing the accommodation.

10. As regards the method of supplying the demand, it is necessary to consider what the existing alternatives are. These include the pay beds at Voluntary Hospitals, already described, at various rates of charges largely intended for persons of moderate means; a small amount of accommodation in separate Hospitals or Homes run on Nursing Home lines, but with restricted profit, so as to make some provision for persons of moderate means; and the existing accommodation at private Nursing Homes, at charges which provide a commercial profit.

11. Several witnesses have laid stress on the advantages which patients can obtain at a fully staffed and equipped

Hospital, as compared with the great majority of Nursing Homes. These include lifts, operating theatres, and facilities for X-ray and other examinations and treatments under the same roof; and usually the presence of a Resident Medical Officer. The Select Committee of 1926, after discussing the disadvantages of the converted dwelling-house, expressed the opinion " that the future trend of development in regard to the provision of accommodation for the paying patient should run more along the lines of the provision of specially built and equipped Private Hospitals and Homes, and of the extension of the paying-ward system in the existing big Hospitals."

12. In considering these two alternatives, we have discussed the arguments against pay beds at Voluntary Hospitals as compared with separate Hospitals, and have shown that these arguments can be answered from the experience of the Hospitals that already have pay beds, and from a consideration of the present-day definition of the functions of the Voluntary Hospital system. This may be held to include provision not only for the sick poor in the original sense of the term, but also, on suitable terms of payment, for all those who, while not coming within the definition of the necessitous poor, are unable to obtain without some such assistance the medical treatment they need.

13. The alternatives are not mutually exclusive. It may be possible for the private Nursing Home to provide what is required at prices suited to the well-to-do. There may be room for the development of separate institutions on Hospital lines, with full equipment and staff, though they would probably have to be on a large scale in order to keep the equipment and staff fully utilised and to spread the cost over enough patients to admit of moderate charges. There is certainly room for a considerable increase in the provision of pay beds at Voluntary Hospitals, where at each Hospital a comparatively small number of pay beds can share with the ordinary wards the advantages and the cost of full Hospital equipment and of the nursing and other technical staff, and where these advantages can thus be

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more easily brought within the reach of patients of moderate means.

14. The Voluntary Hospitals already have schemes in hand or in active preparation which would increase the number of pay beds from 1,055 to more than 1,300, and there are further schemes more or less definitely under consideration which would make the total rather more than 1,900. The addition in this way of another 900 beds would be a substantial step in advance, though obviously it would not be a final total, and the additional beds need not necessarily be confined to these particular Hospitals.*

Methods of meeting the cost.

15. Our consideration of the method of providing for the cost of maintaining additional pay bed accommodation, and of meeting the capital cost of building and equipment, has raised so many questions of principle affecting the whole of the pay bed problem, that the results can best be set down in the form of the general conclusions arising out of the Inquiry.

B. CONCLUSIONS

Conclusions.

16. In stating these conclusions, we do not recommend that the King's Fund should lay down any rules that would either condemn or stereotype any of the methods which have hitherto been adopted more or less experimentally by the various Hospitals. We suggest, however, that the following should be the principles to be aimed at in any general extension of the system in connection with Voluntary Hospitals :—

On the relation between cost and charges.

(i) That pay bed accommodation should, as a general rule, be provided at rates of charge which at least cover the current maintenance cost of all the pay beds in the Hospital taken as a whole ;

(ii) That the provision of special accommodation on a limited scale for patients of small means, at rates which involve a charge on the general fund, can legitimately be regarded as coming within the

* For later figures of pay beds provided, *see* Appendix.

present extended function of the Voluntary Hospital system, provided that it is looked upon as a secondary part of that function, and that the treatment of ordinary patients is maintained as the primary part ;

(iii) That, if at any given Hospital it is uncertain whether this second principle is compatible with the stated objects of the institution, such low-priced accommodation should not be provided unless a sufficient amount to cover the resulting deficit is received in contributions from donors who have specifically indicated that they have no objection to this deficit being met out of their contributions ;

(iv) That no patient in a pay bed should pay any fee to a Physician or Surgeon, whether a member of the medical staff or not, for treatment received in the Hospital, unless the charges which that individual patient pays to the Hospital cover the whole cost to the Hospital of his current maintenance and of any specific services he receives from the Hospital ;

On the provision of the capital cost.

(v) That it is not necessary that the weekly charges should cover interest on capital as well as current maintenance, for the purpose of calculating the relation of charges to cost in connection with the principles just mentioned ;

(vi) That, if the weekly charges do not cover interest on the capital cost of providing pay beds, this capital cost should be met out of funds specially contributed for the purpose, or out of the proceeds of building appeals in which the proposal to provide pay beds has been specifically mentioned ;

(vii) That it should be recognised that pay bed patients who are merely paying their current cost, and who have not themselves contributed to the capital cost, are, in obtaining what they cannot afford to provide for themselves, deriving benefit from funds contributed to the Voluntary Hospital system.

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On a suggested insurance scheme.

(viii) That it is desirable that as many prospective pay bed patients as possible should be enabled to place themselves in a position in which they can pay the full cost of maintenance in a pay ward and a medical fee as well.

(ix) That, to secure this, an effective mutual insurance scheme should be organised for assisting prospective pay bed patients to make provision in advance, as has been done for ordinary Hospital patients by contributory schemes like the Hospital Saving Association, and for middle class patients, on a small scale as yet, by schemes such as those of the British Provident Association and the Norfolk and Norwich Hospital;

(x) That it is desirable that, so far as London is concerned, an insurance scheme of this kind should, like the Hospital Saving Association, be organised by a central body working in co-operation with the individual Hospitals with pay beds;

(xi) That full consideration should be given to the suggestion that a scheme of subscription to the capital cost of providing pay bed accommodation might be associated with an insurance scheme covering maintenance charges;

On gifts for capital cost.

(xii) That the provision of a large capital sum for the building and equipment of pay beds for the use of those who cannot afford more than the cost of maintenance would be a form of assistance to the Voluntary Hospitals which might be commended to possible donors.

17. The following are other conclusions at which we have arrived:—

On the question of medical attendance.

(xiii) On the question whether treatment of pay bed patients should be confined to the medical staff of the Hospital, or should be open to other Consultants, or to any Registered Practitioner, we have set out the arguments for and against the various alternatives. The balance of these arguments may be affected differently by the circumstances of different Hospitals:

by the relation of the pay beds to the rest of the Hospital; by the number of pay beds at the Hospital; by increases in the number of Hospitals that have pay beds; and by any general development of insurance methods as a means of assisting prospective pay bed patients to meet Hospital charges and medical fees. We regard the question as one which the Committee of Management of each Hospital should decide for itself;

On the question of pay beds for the well-to-do.

(xiv) On the question of pay bed accommodation for the well-to-do, we consider that, in view of the difficulty of obtaining full Hospital facilities except at beds connected with Hospitals, this might well be provided on a limited scale by Voluntary Hospitals, provided that the accommodation is not required for ordinary patients or cannot be maintained for them, that priority is given to provision for those of moderate means, and that the charges to the well-to-do are sufficient to cover the whole cost of the beds provided for them, including rent and interest on capital, and to yield a profit available for other purposes of the Hospital;

On making pay beds known.

(xv) We doubt whether the nature and extent of the existing pay bed accommodation at Voluntary Hospitals is generally known by the members of the middle and professional classes. We suggest that the Management Committee of the King's Fund might consider whether the Fund should prepare and publish year by year for the information of the public a list of the pay beds at the London Voluntary Hospitals, with rates of charge and other particulars;

On keeping records of cost.

(xvi) We have referred to the difficulty of obtaining any reliable estimate of the cost of maintenance of pay beds. It seems to us very desirable that each Hospital should know definitely what the relation is between the payments received from pay bed patients and their cost. We suggest that the Hospital Economy Committee of the King's Fund should use its influence to secure wherever practicable the introduction of records which would have this effect.

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C. SUMMARY OF CONCLUSIONS

18. Finally, we may sum up our conclusions as follows:—

On the advantages of pay beds to the patients of all classes, to the individual Hospitals, and to the Voluntary Hospital system as a whole.

(xvii) We consider that the existing provision of 1,055 pay beds has proved to be a very valuable addition to the Voluntary Hospital service of London; that a material extension of this provision is urgently required to meet the existing demand; and that the organisation of a mutual insurance scheme to assist persons of moderate means to meet the cost of maintenance and medical fees is strongly to be recommended.

(xviii) We believe that an extension of the pay bed system at the Voluntary Hospitals, with due safeguards for the maintenance and extension of the ordinary beds, would be of advantage to the patients of all classes, to the individual Hospitals, and to the Voluntary Hospital system as a whole. The pay bed patients of moderate means would benefit because they would obtain accommodation and treatment at charges within their means, especially if aided by a scheme of insurance to make provision in advance. The well-to-do pay bed patients would benefit because they would obtain, in accommodation attached to a Hospital, facilities which can rarely be fully secured elsewhere—such as the constant presence of skilled medical and surgical attention in emergencies, and of a complete organisation of all the necessary ancillary services. They would in return pay charges which, when combined with the reduced cost effected by the large scale organisation of the whole institution, would assist the Hospitals to finance their ordinary work. The ordinary Hospital patients would have the use of beds in the general wards which are now occupied, as a matter of urgent necessity, by patients who absolutely need the special facilities of a Hospital, and who could and would pay extra for special accommodation

if it was available. The Hospitals would greatly extend their usefulness and increase their prestige. It would be an advantage to them that all classes should come to recognise from personal experience the part which they play in the development of the most advanced forms of diagnosis and treatment. This experience would be a further stage in the movement by which the Voluntary Hospital system is already becoming largely a co-operative effort in which all classes of the community, including the Hospital patients themselves, combine, as their means permit, to provide Hospital services which produce benefits for all classes: directly for the less wealthy because without the Hospitals the necessary medical treatment cannot be brought within their means, and indirectly for the more wealthy because without the Hospitals the necessary medical treatment would not exist.

JOHN ROSE BRADFORD,
Acting Chairman.
BERNARD MALLET.
V. WARREN LOW.
WINIFRED C. CULLIS.

H. R. MAYNARD,
Secretary.

King's Fund

APPENDIX

PAY BEDS at DECEMBER 31, 1935

The following particulars show the increases that took place in London between the publication of the Pay Beds Report and December, 1935 :—

(*a*) In December, 1935, there were pay beds at 108 hospitals, the total number being 1,997, of which 747 were at special hospitals; as compared with the numbers in paragraph 3 of this Summary.

(*b*) In December, 1935, there were 927 beds at 4 or 5 guineas, 283 beds at 3 guineas or less, 323 beds at 6 guineas, and 464 beds at 7 guineas or more; as compared with the figures in paragraph 4.*

(*c*) In December, 1935, treatment in about 1,310 pay beds at 73 hospitals was confined to the medical staff of the hospitals. In about 350 beds at 12 hospitals it was open to other recognised consultants. In about 330 beds at 24 hospitals there was free choice of any registered practitioner; 13 of these were small suburban or cottage hospitals, 2 were special hospitals, and there were exceptional circumstances at the others. These figures compare with those in paragraph 7.

The total number of beds, both ordinary and pay, in December, 1935, at 145 hospitals, was about 18,100, as compared with 15,900 in 1928.

The following is a specimen extract from the Pay Beds Pamphlet published annually by the King's Fund with particulars of the pay beds at December 31st :—

Hospital.	Number of Pay Beds.	Description (number of Pay Beds in each ward, etc.).	Normal weekly charge.
A	34	34 cubicles (walls and curtains)	6 gns.
	6	1-bed (18 m. 22 f.)	9 gns.
B	8	1-bed (ear, nose and throat)	6 gns.
C	1	2-bed	3½ gns.
	9	1-bed	4 gns.

* The 464 beds at 7 guineas or more include 206 at 7 guineas, 228 at 8 to 10 guineas, and 30 at over 10 guineas. In all these figures pay beds at variable charges are taken at the mean charges. The Pay Beds Committee, in discussing the question of provision for the well-to-do (see par. xiv on p. 8 above), said that, generally speaking, provision for the wealthy meant weekly charges of over 10 guineas, plus extras and full medical fees, while beds at 8 to 10 guineas catered for an intermediate class.

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