MONTREAL NEUROLOGICAL INSTITUTE

Director
WILDER PENFIELD
Chief of Neurological Service
COLIN RUSSEL
Chief of Neurosurgical Service
WILLIAM CONE
Roentgenologist
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HERBERT JASPER
Secretary-Registrar
J. NORMAN PETERSEN

Department of Neurology and Neurosurgery
of
McGill University

3801 University Street,
Montreal, Canada

July 6th., 1944.

Dr. Wilder G. Penfield,
Director,
The Montreal Neurological Institute,
Montreal. Que.

Dear Dr. Penfield:-

I have gone over the plans for the proposed expansion into the Field House and have tried to estimate the costs and anticipated revenue. I have worked this out on the assumption that of the 43 beds, 10 will be for private patients (Officers) and 33 for public patients. I am assuming that the four-bed ward on the first floor and the six-bed ward on the second floor will be assigned to private patients. The one-bed rooms will probably be used for post-operative or very ill patients. Naturally there will be considerable elasticity to these arrangements.

I have estimated the anticipated revenue on the basis of 85% occupancy which leaves some margin.

On this basis, as is indicated in the accompanying statement, there should be a very slight surplus per month based upon the present rates of $5.50 for public and $11 for private patients per diem paid by the D.P.N.H. The surplus is really very small and actually I do not feel that we can expect to do more than break even.

However, the present rates paid by the D.P.N.H. are acceptable.

There are several points which should be emphasized:

I feel sure that with the opening of the Field House there will be a considerable decrease in the congestion in the M.N.I.. In this case, of course, the decreased number of patients will diminish our income. Expenses will also decrease, but not to the same extent. There are too many incalculable elements in this picture for me to make any definite statement as to how this will affect our finances.

The figures which were estimated are based on the assumption that the Field House would be occupied by members of the Armed Forces, who are paying the fixed charges. This, of course, would not necessarily be so and if beds are taken up by Q.P.C.A. patients for example, the revenue would be much lower.

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The present practice of discharging D.P.N.H. patients from the M.N.I. within a few days after operation should be tapered off as soon as the Field House is available. This will, of course, provide better post-operative supervision of patients. Moreover, the per diem rate was based on an average occupancy of 17-18 days, which is the general average for the Institute. Most of the expenses, however, are incurred during the first week, when studies of various kinds and operations are performed. It is only after the first week that the M.N.I. is reimbursed for the high initial expenditure.

There are two further points which should be kept in mind in connection with the addition of the new wing. The first is the possible provision of our own kitchen in the M.N.I. After having been a patient there for a short time, it strikes me that the food received there was definitely inferior to that which is served in the Ross. This is probably due to the fact that the M.N.I. meals are prepared in the Main kitchens and then kept warm for a considerable time while being sent over and distributed. In this way it loses a great deal of its flavour. Also, and perhaps more important than this, is whether or not the R.V.H. will be able to continue to supply food, with its present capacity and problems, when the Institute is enlarged to approximately one and one-half. I think that it might be well to discuss this point with Dr. Stephens. The second point is that at the present time the M.N.I. is charged on the basis of its bed occupancy as compared to the total R.V.H. bed occupancy for many of the services which are supplied by the R.V.H. Therefore, if the M.N.I. increases its bed occupancy, it pays a relatively higher proportion of the R.V.H. costs. It is questionable whether this practice should be continued, or whether some other basis for assessing charges should be attempted. When the bed occupancy of the R.V.H. decreases and the M.N.I. increases, the M.N.I. finds itself paying a much higher proportion of the R.V.H. costs than it should.

Yours sincerely,

John Kershman

J. Kershman, M.D.

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