

ESTIMATES OF ANNUAL EXPENDITURE AND REVENUE

Hospitalization in the Montreal Neurological Institute

With the Addition of the New Wing.

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ESTIMATE OF ANNUAL EXPENDITURE AND REVENUE.

Explanatory Notes.

A. EXPENDITURE.

1. Based on the expenditures during the first five months of 1944, the cost of hospitalization is \$6.19 per patient per day. This is exclusive of building maintenance (see below). This \$6.19 includes:

- (a) Ward nursing care.
- (b) Orderlies.
- (c) Nursing supervision.
- (d) Nursing supplies.
- (e) Maid Service.
- (f) Laundry.
- (g) Meals.
- (h) Repairs & replacements on the ward floors.
- (i) Administration (including a proportional payment to the Royal Victoria Hospital which transacts some of our business in the Royal Victoria Hospital).
- (j) Expenses of the Operating Room, instruments & staff.
- (k) Expenses of the X-ray Department and staff.
- (l) Drugs.
- (m) Ambulance Service.
- (n) Proportionate contribution to the Royal Victoria Hospital University Clinics, Pathology & Bacteriology.
- (o) Social Service Department.

The Royal Victoria Hospital act as our agents. They make disbursements for materials which we buy, distribute the pay roll which we supply for our employees, supply the Montreal Neurological Institute with such services as: laundry, collecting our revenue for us from our patients. The Royal Victoria Hospital sends to the Montreal Neurological Institute and to McGill University a monthly statement of all these transactions. It is on the basis of these statements that the cost of this rate of \$6.19 per patient per day is calculated. A cash settlement of the monthly surplus or deficit is made monthly between the Royal Victoria Hospital and McGill University for the Montreal Neurological Institute.

2. Building Maintenance. The maintenance of the building is administered by McGill University on a separate budget, No. 614. The main items in this budget consist of:

- (a) Light and Power A.C.
- (b) Power D.C.
- (c) Steam and Gas.
- (d) Insurance.
- (e) Repairs & Replacements.
- (f) Janitor Service.

Building Maintenance (continued).

- (g) Porters (day and night).
- (h) 2 Elevator operators.
- (i) Holiday relief.
- (j) Laundry (exclusive of clinical wards).
- (k) The Registrar's salary.
- (l) Wages of Telephone operator, cleaner & janitors.
- (m) One-half the salary of the Registrar's secretary and the Reception Clerk.

It is obvious that only a part of this is for the hospitalization floors (2nd., 3rd., 4th., and part of the 1st., and 5th., floors). Approximately one-half of the total cost of the building maintenance properly applies to hospitalization of patients. This adds approximately \$1 per day per patient to the cost of hospitalization of \$6.19 per patient per day.

B. REVENUE.

3. Patients from the Armed Forces and the D.P. & N.H. pay a flat rate of \$11 per day for officers and \$5.50 per day for other ranks.
4. Charity patients, coming under the Q.P.C.A., pay a flat rate of \$3 per day.
5. Calculations made during 1943 show that:
 - (a) Public pay patients paid the Montreal Neurological Institute an average of \$5.40 per day while in hospital.
 - (b) Semi-private patients paid \$8.80 per day.
 - (c) Private patients paid \$12.00 per day.

Since that time hospital charges have been increased by a minimum of 25¢ per day to public patients and 50¢ per day to private patients; so that the present calculations are based on \$5.65 per day for public patients and \$8.80 for semi-private patients and \$12.50 per day for private patients.

These monies are collected from patients and make up the revenue included in the monthly statement from the Royal Victoria Hospital.

6. The revenue to cover the budget of Building Maintenance, administered through McGill University, Budget No. 614, consists of \$35,000 per annum, of which \$15,000 is received from the City of Montreal and \$20,000 from the Province of Quebec.
7. The present plans, which are only approximate, call for a total of 102 beds in the new wing and old building, of which 62 are public, 22 are semi-private and 18 are private. By mutual agreement, the Montreal Neurological Institute has undertaken to provide for 50 beds for Army patients as long as the emergency exists. At the present rate, the proportion is approximately 1 officer to 6 other ranks.
8. The plans for the new wing call for an approximate addition of 400,000 cubic feet. The present Montreal Neurological Institute contains approximately 650,000 cubic feet. The new wing will consist of five floors and a basement, approximately equal in size. Of this space, two-thirds will be occupied by patients (2nd., 3rd., 4th., and part of the 5th., floor), and one-third by administration offices and other rooms (basement, 1st., floor and part of the 5th., floor).

9. The following estimates are made on the basis of:
- A. While the hospital will provide for 50 Service cases.
 - B. When it will revert to an entirely civilian hospital, sometime after the War.
10. The estimates are based on 85% occupancy.

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5.

A. DURING THE WAR.EXPENDITURE.

102 beds - 85% occupancy -	= 86.7 at \$6.19 per day =	\$	536.67	per day
X 365 days	=		<u>195,884.55</u>	per annum

This represents hospitalization costs exclusive of Building Maintenance which will be considered separately later.

REVENUE.

50 D.P. & N.H. patients - 7 private - 85% occupancy -	= 6 X \$11 per day =	\$	66.00
43 public - 85% occupancy -	= 36.5 X \$5.50 per day =		200.75
			<u>266.75</u>

This leaves 22 civilian public patients, 22 semi-private & 8 private patients. Of the 22 civilian public patients, $\frac{1}{4}$ are usually Q.P.C.A. and $\frac{3}{4}$ paying public patients.

85% occupancy = 18.7 patients - 4.7 Q.P.C.A. X \$3 =	\$14.10		
14 public paying X \$5.65 =	79.10	=	93.20 public
22 semi-private patients - 85% occupancy -	= 18.7 X \$8.80 =		164.56 semi-private
8 private patients - 85% occupancy -	= 6.8 X \$12.50 =		85.00 private
			<u>342.76</u>

Combined daily income D.P. & N.H. and other patients =	\$	609.51	
X 365		222,471.15	per annum
Less 10% for doubtful accounts =		<u>22,247.11</u>	
Estimated Revenue =	\$	<u>200,224.04</u>	per annum

Estimated Expenditure (exclusive of Building Maintenance) =		<u>195,884.55</u>	
		<u>4,339.49</u>	Surplus

This margin of 2% surplus is negligible as we have learned from past experience. It is clear, therefore,

that the cost of Building Maintenance must be met by funds other than hospital revenue. Assuming that the present budget will not be altered greatly by the changes in the old building, money will need to be provided to cover the cost of maintenance of the new wing. (see page 8)

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7.

B. CIVILLIAN HOSPITAL.EXPENDITURE.\$ 195,884.55REVENUE.

102 beds.

62 Public - 85% occupancy - = 52.7 patients.

 $\frac{1}{4}$ Q.P.O.A. = 13.2 X \$3 = \$39.60 $\frac{3}{4}$ Pub. Pay. = 39.5 X \$5.65 = 223.18

\$ 262.78

22 Semi-private - 85% occupancy - = 18.7 X \$8.80 =

164.56

18 Private - 85% occupancy - = 15.3 X \$12.50 =

191.25

\$ 618.59

X 365 =

225,785.35 per annum

Less 10% for doubtful accounts:

22,578.53

Estimated Revenue:

\$ 203,206.82 per annum

Expenditures:

195,884.557,322.27 Surplus.

This margin of surplus of $3\frac{1}{2}\%$ is negligible also. On this basis also, the cost of maintenance of the new wing must be met by funds other than direct hospital revenue.

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8.

C. ESTIMATED COST OF BUILDING MAINTENANCE OF NEW WING.

Present building = 650,000 cubic feet. Maintenance costs: \$ 24,745.00 per annum

The projected new wing is approximately 400,000 cubic feet, but this includes approximately 50,000 cubic feet of original floor space.
(These figures are all very approximate.)

Total new space = 350,000 cubic feet.

Maintenance costs (at present rates) = \$ 13,000.00 per annum
Allowance for contingencies 5,000.00

(including provision of extra secretarial help, etc.)

Total = \$ 18,000.00 per annum.

It is clear therefore, that to make the new wing possible, an added \$18,000 per year will be necessary to take care of Building Maintenance.

Since approximately two-thirds of the floor space is to be devoted entirely to hospital patients, \$12,000 of this is purely a hospital expense, and \$6,000 would be a direct cost to the University.

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