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NOTES ON THE ORGANIZATION OF THE
MONTREAL NEUROLOGICAL
INSTITUTE.

Wilder Penfield - 10th October, 1932.

ESTIMATES MADE IN NOVEMBER 1931.

For the purpose of record mention should be made of the basis on which the figures were prepared for application to the Rockefeller Foundation, details being omitted.

It was originally estimated by Mr. Chenoweth before the Rockefeller Foundation was approached that when the "overhead" was added together and balanced against the income, each public bed cost the Hospital a little over \$1.50 per day or about \$560.00 per year, and that 32 public beds if always full would therefore create an annual deficit of \$18,000.00. This sum as estimated would, therefore, cover all expenses on the clinical floors including operating rooms and encephalography. It would also cover one half of the upkeep of the common portion of the building which has to do with elevators, heating, electric light and power, gas, taxes, insurance, repairs, front-door porters, front office clerk, etc.

The remaining one half of the cost of upkeep of elevators, heating etc., etc. was considered as devoted to scientific activity. These items together with certain other administrative activities which might be superintended by the Hospital, such as cleaning of the corridors on the laboratory floors, were estimated by Mr. Chenoweth last November at \$12,000.00 per year. The total of \$30,000.00 was, therefore, estimated the amount

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~~as~~ necessary to run and keep up the Institute.

SUGGESTED PLAN OF ORGANIZATION.

The following plan of University and Hospital co-operation is a personal suggestion only. It embodies the arrangements which seem to offer the greatest promise of efficiency and least opportunity for friction in the long run with the recurring changes of personelle which the future inevitably brings. This proposal is drawn up without regard to the degree of willingness for co-operation which the present Hospital superintendent may show. It also does not take into consideration any differences which may or may not exist in the ability of the personelle of the University and Hospital staffs.

Inasmuch as it has been decided that the money promised annually by City and Province for the hospitalization of public patients and upkeep of the Neurological Institute is to be paid to the University, the University shall in turn pay over annually a fixed sum of money to the Hospital, to cover the cost of administration and upkeep of this Institute. The amount of said sum of money is to be computed on the following general lines:

A. The cost per public patient per day shall be taken as \$4.14, as reckoned in the Hospital Superintendent's report of 1931. From this figure should be subtracted the income per day. If the resultant deficit per day which was originally estimated, as stated above by Mr. Chenoweth to be \$1.50 is not considered accurate, then a careful analysis of the costs and income involved should lead to a new figure.

This charge should be made against the number of days 32 public beds are likely to be filled in a year. It should be

recognized that this figure covers the full costs of hospitalization including administration and upkeep of the clinical share in the general services to the Institute, i.e. one half. In this figure is therefore included one half the cost of operation and repair of elevators including wages of operators, half cost of porters and clerk at front door, half cost of janitor, half cost of lighting, heating, gas, insurance, snow cleaning, telephone service etc., etc.

From the total annual public patient deficit shall be subtracted the total estimated annual income from private patients. (The income from X-ray and encephalography shall not appear as a separate item but shall go toward upkeep of this activity). The annual sum of moneys computed as indicated above shall be paid over by the University to the Hospital each year. This sum shall be considered the annual clinical charge until reasons are brought forward to alter the amount.

B. Secondly the administration and upkeep of that part of the Institute not properly clinical shall be computed as follows: half the cost of all general services such as elevators, front-door porter and clerk, janitor, lighting, heating, gas, insurance, snow cleaning, telephone service etc., also the full cost of cleaning the corridors in half of the building (the scientific half), refinishing and painting and ordinary repairs in the scientific half of the building. This sum of money shall be considered the annual charge for upkeep of the remaining half of the building.

C. A further sum should be paid directly to the Superintendent's office for the added administrative load not included

in the above. It would be understood that the cost of the care of the living rooms which may be occupied by the Research Fellows shall be defrayed from the budget of the Department of Neurology and Neurosurgery. It is further understood that the ordinary cleaning of the Laboratory rooms on the 6th and 7th floors would be paid for from the same budget but not the corridors of these floors.

Such an arrangement would make it possible for the Hospital administration to look forward clearly to each year and to derive as much income as possible from the clinical services just as in the other parts of the Hospital.

There could then be no difference to the administration when paupers or private patients were transferred from Victoria to Institute and back. All the complex inter-relations of the Institute and Hospital would be simplified, in my opinion, if only one administrative organization were to be considered.