

and adequate hospital care would require 5.1 to 5.5 beds per 1,000 population.⁴⁷ Acceptable beds in areas outside central cities vary from 0.51 general beds per 1,000 in the Southwest to 1.86 in New England, with a national average of 1.42 beds per 1,000 population outside central cities.⁴⁸

Hospital services and costs

A vast range of services are provided by hospitals. Primarily, these are personal services, but they also require an array of expensive equipment.

Payroll expenses are the major hospital operating expense, taking about two-thirds of total costs and about two-thirds of the average cost per patient day. In the psychiatric hospitals, payroll expenses account for \$3.08 of the \$4.40 expenses per patient day. In the voluntary, short-term hospitals, payroll expenses account for \$17.71 of the \$29.24 expenses per patient day. The American Hospital Association survey for 1958 listed 1.5 million full-time hospital workers with an overall average of 111 hospital workers per 100 patients and a range from 224 workers per 100 patients in voluntary short-term general hospitals to 34 workers per 100 patients in non-Federal psychiatric hospitals. (See table 10.)

More than 90 percent of short-term non-Federal hospitals have emergency rooms and operating rooms, clinical laboratories, basal metabolism apparatus, diagnostic X-ray equipment and electrocardiographs, the hospital survey indicated. Other expensive equipment such as electroencephalographs, radioactive isotope therapy, X-ray therapy, intensive care units, postoperative recovery rooms, and premature nursery facilities are increasingly prevalent, as are such hospital services as physical and occupational therapy as well as various skilled services, including medical and psychiatric social service.

The addition of new, expensive equipment does not result in savings on hospital payrolls. Instead, this equipment creates new payroll expenses.

As newly developed diagnostic and treatment equipment is added to hospitals, more—not fewer—people are required to operate it. Hospital equipment is expensive, its cost is impressive, but the enduring element of cost for these new services is the new trained personnel who must accompany it.⁴⁹

In addition to the rising expense of professional and other highly trained workers, hospitals are faced with payroll pressures from the general wage level on costs of lower paid, unskilled workers. Although there have been significant increases in hospital wage scales and reduction of hours worked, there is still a considerable lag behind the general wage level of industry. Wages averaging \$1,330 a year in 1946 for a 48-hour week rose to \$2,873 in 1957 for a 42-hour week, an increase of 116 percent in pay and a decrease of about 14 percent in hours.⁵⁰

But continuing requirements for hospitals to match general wage and salary levels will put a long-run pressure on hospitals costs.

⁴⁷ U.S. Department of Health, Education, and Welfare. "How Many General Hospital Beds Are Needed?" Public Health Service Publication No. 309, 1953, p. 62.

⁴⁸ "The Nation's Health Facilities," p. 49.

⁴⁹ Russell A. Nelson, Maryland-District of Columbia-Delaware Hospital Association. Statement before Maryland Insurance Commissioner, May 26, 1958, (mimeo) p. 16.

⁵⁰ Frank Groner, American Hospital Association. Statement prepared for U.S. House of Representatives, Ways and Means Committee, hearings on Federal Unemployment Tax Act, Apr. 10, 1959, (mimeo) p. 4.