

# what's happening

Maine Medical Center  
Portland, Maine 04102

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May 6, 1981

## Power cut back; services did not

When the main power supply for the Richards wing was turned off for emergency repairs April 22, the auxiliary power generators kicked in and performed flawlessly throughout the five-hour shutdown. So, according to reports, did hospital employees. A check with administrators and supervisors produced words like "resourceful," "calm," "impressive," and "superb" to describe the way employees handled what could have been a confusing situation.

The solution to the power problem itself -- a main power feed that was giving out -- fell to MMC's electricians. When the problem was discovered at about 2 PM, the Engineering Department alerted nursing units and other departments and then cut the power to begin repairs at once.

While the electricians were working, other departments were coping with a significantly reduced power supply. The power available was restricted to life-support equipment, dialysis units, and a few lights, monitors, and -- most widely-noticeable of all -- only one elevator of the usual six serving the Richards wing.

Security assumed control of the single elevator car, reserving it for patient transport and essential supplies. Guards directed all other traffic to the stairs or to the elevators in the Pavillion buildings. Guards with radios were stationed on all floors, to provide added protection, help with traffic direction, and also to provide a communication backup for the various nursing units and departments. This was necessary because part of the telephone system had gone to its slower, auxiliary power supply, the computer was down, and the paging system was not fully operational.

With a great many people using **POWER**, page 2

## Financial facts evaporate the Senator's "surplus"

Maine Medical Center does not have \$35 million tucked away in "surplus" funds. Executive Vice President and Treasurer Donald L. McDowell can -- and did repeatedly last week -- make that point with infinite clarity and a great deal of patience.

The subject arose when State Senator Mary Najarian (D-Portland) made an issue of hospital "profits" while expressing her support of the bill introduced by State Representative David H. Brenerman (D-Portland) to permit municipalities to charge hospitals and other non-profit institutions for the municipal services they use.

But Mrs. Najarian's statement that hospitals have been accruing profits and "sitting" on large surplus funds exhausts McDowell's fund of patience:

"For anyone to suggest that a hospital has millions of dollars available for any reason when in fact it does not, is a disservice to the community.

"And to imply that hospitals have no incentive to save money is to take a slap at all hospital employees who have worked so hard to contain costs,

and I resent that," he states.

Mrs. Najarian pointed to the financial sheets of all Maine hospitals and claimed that they make profits and have built up large unrestricted fund balances; she points with special emphasis to MMC's balance sheet which showed a \$34.5 million fund balance at the end of fiscal 1980. She sees that figure as proof that MMC (like other hospitals) could easily absorb a service fee without passing the cost on to patients.

Not so, says McDowell. Several times last week for members of the media, and again for *What's Happening*, he explained just what a "fund balance" is -- and more precisely what it is not:

"The 'fund balances' shown on our balance sheet (see below) do *not* represent money in the bank. A balance sheet is a statement of an institution's assets balanced against its liabilities. In MMC's case, assets include cash on hand, money due from patients and other sources, and the value of the hospital's land, buildings, equipment, and inventory.

"The hospital's liabilities include the money it owes (for salaries, supplies,

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MAINE MEDICAL CENTER			
BALANCE SHEET			
September 30, 1980			
ASSETS		LIABILITIES AND FUND BALANCES	
Current assets:		Current liabilities:	
Cash and cash equivalents	\$ 1,067,294	Accounts payable	\$ 1,687,115
Temporary investments, at cost		Due to third-party payors	774,545
which approximates market	15,000	Accrued vacation and holiday pay	911,005
Patient receivables, less allowances		Accrued salaries and other liabilities	1,358,744
and uncollectables of \$3,793,442 in		Long-term debt due within one year	854,048
1980 and \$3,681,203 in 1979	10,279,968	Total current liabilities	5,585,457
Other current receivables	233,518		
Due from third-party payors	1,671,664	Long-term debt due after one year:	
Due from restricted funds	162,123	Notes payable to banks and others	2,487,968
Inventories	444,287	Capitalized computer lease obligations	781,131
Prepaid expenses	411,788	MIS licensing obligation	369,900
Total current assets	14,285,642	Total long-term debt due after	
		one year	3,638,999
Other assets:		Deferred revenue - third party reim-	
Property, plant and equipment, net	27,758,796	bursement	498,991
Other receivables	1,738,518	Fund balances	34,755,411
Comprehensive liability insurance trusts	154,760		
	29,652,074		
Deferred charges:			
Unamortized license and installation costs			
of Medical Information System (MIS)	541,142		
	\$44,478,858		\$44,478,858



**POWER**, from page 1—  
the stairs, Security also patrolled them, ready to provide assistance if necessary. The evening lock-up of the hospital's access doors began earlier, and Security generally filled in and helped out wherever necessary. Director William Burnham had high praise for his people, and said "they were only doing their jobs, but they did them exceptionally well."

Food and Nutrition Services was just starting the evening meals for patients when the power was shut off, and Production Manager John Romano says his people showed remarkable resourcefulness and dedication. The sentiment is echoed by Assistant Director Mary Keysor, RD, whose people had to cope with last-minute substitutions in their carefully planned menus and eagerly jumped in to assist the dietary aides in putting up and delivering the meal trays.

The only light Food Services had during the shutdown was sunlight coming in windows on the parking ramp side of the department, four small auxiliary lights, and eight flashlights. The ovens were already hot enough to keep the food warm, as were the meal carts, and while there was no broiler there was a gas-powered oven as a substitute.

The greatest logistical problem the department faced was getting the meals to the patients. The Richards wing elevator was off-limits, so carts had to be wheeled down to the Pavillion, then up and over and sometimes up again to the patient units. The twelve diabetic meals prepared that day had to be hand-carried up the stairs, be-

cause they had to be eaten at exactly five o'clock.

The administrator-on-call April 22 was Michael Kilmartin, Associate Vice President for Finance. During the blackout, he walked through the building with Director of Engineering Edward Hollidge, and says he was impressed with the way Engineering handled the electrical problem, and with the calm, reassuring attitude he found on the patient units. The staff knew exactly which outlets would have power, where to find extension cords, and how to handle nervous patients. "It makes it much easier to be administrator-on-call when you see that everyone knows what they're doing. I felt we could relax a bit after seeing how smoothly things were going."

In short, there were no major problems during the shutdown. There were inconveniences, frustrations, and interruptions in routine, but no serious difficulties. The blackout affected all parts of the hospital to a greater or lesser degree, and all involved responded promptly and properly. In fact, Food and Nutrition Services Assistant Director Mary Keysor observed that it was enjoyable to watch the way everyone pulled together. "There were no job titles or ranks during the blackout," she says. "The patients had to be fed, and that was the most important thing."

They also had to be nursed, medicated, provided with linen, tested, protected, visited, bathed, reassured, and generally tended to, and it's apparent that the most important thing to all employees was proper patient care. As usual.

## NHLBI urges control of blood pressure

The National Heart, Lung, and Blood Institute has declared May "High Blood Pressure Month." Through its National High Blood Pressure Education Program, it is seeking to expand public awareness of the condition, which affects some sixty million people in the U.S. and is a leading cause of stroke, kidney failure, and other serious problems.

The detection and treatment of high blood pressure is a matter for the individual and his or her physician, but the NHLBI is emphasizing a few facts that may help:

\*Anyone can have or develop high blood pressure. It has nothing to do with being nervous or under stress.

\*There are *no* outward symptoms of the disease. The only means of detection is a blood pressure check.

\*There is *no* cure for the condition.

\*High blood pressure *can* be controlled, through medication, diet, exercise, and treatment generally allows a healthy, normal life.

\*Treatment regimens, particularly medications, *must* be followed rigidly in order for them to work.

Most medical authorities recommend periodic blood pressure checks, and the NHLBI is focussing its activities on making sure people stay on their medication and other treatments once the condition has been diagnosed.

## About People

Three new Assistant Head Nurses began duties April 19 on MMC's Special Care Unit. Cathy Palleschi, RN, is now Evening Assistant Head Nurse; Pamela Birmingham, RN, CCRN, takes over on the night shift, and the new Day-Night Assistant Head Nurse is Sunny Howe, RN, CCRN.

## New Employees

**CSD:** John Callegari

**FOOD SERVICES:** Barbara Joyce, Cynthia Raymond

**HOUSEKEEPING:** Lucinda Maloney, Lisa Wagner

**INVENTORY:** Sharon Schade

**NURSING:** Jane Fitzgibbons, Gregory Flemming, Sylvia Gauthier, Lorraine Kopeck, Janice Libby, Diane Maloney, Mary Murphy, Florence Sowards, Georgann Stelmack, Nancy Terison

**OB/GYN:** Debra Boxer, Enes Henegar

## Nursing Continuing Education Programs

• *Disseminated Intravascular Coagulation*, Marjorie Boyd, M.D.

May 12, 1981 8-9 AM and 2-3 PM  
R8 Conference Room.

• *Rehabilitation Nursing Series: "The Grieving Process in Spinal Cord Injuries,"* Peg Bradstreet, RNC, MS.

May 14, 1981 4-5 PM  
R1 Conference Room.

For further information, please call Staff Development x2397.

## Discount program continues to grow

The Employee Activity Committee announces two additions to the Employee Discount Program. *Essex House*, featuring "Interiors for Investment," will offer employees a 10% discount on all stock items and special-order catalog items. Merchandise includes furniture, rugs, mirrors, decorator accessories, etc., and the discount will also apply to sale items except for the weekly 20-40% specials.

*Tidy Car, Inc.* will grant MMC employees showing Photo IDs a 10% discount on their automotive care services. These include: simonizing, interior cleaning, vinyl roof cleaning, and silicone application. They work in their shop or at your home, and have a pick-up and delivery service.

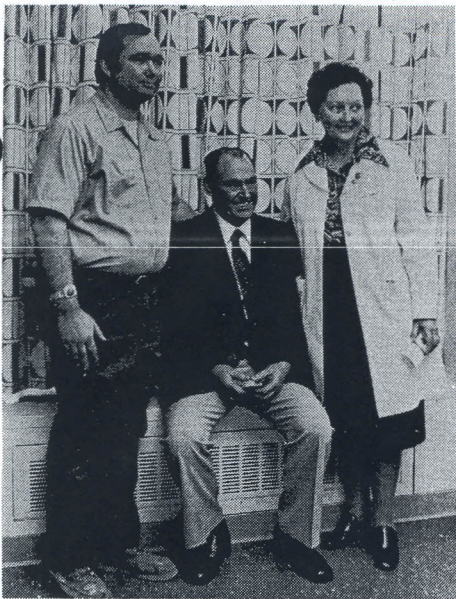
**FOOD SERVICE  
EMPLOYEE OF THE WEEK**

**THE ENTIRE CREW**

**WHO WORKED THROUGH  
THE APRIL 22 BLACKOUT**



## SERVICE AWARD COFFEE



Warren Sanborn Jr., Food Services, received his 35-year award -- and congratulations from son Gary Sanborn, Carpenter Shop, and wife Jean Sanborn, RN, Director of Maternal/Pediatric Nursing.



Edna Young, RN, who received her 20-year pin in November, was a pourer at the April Service Award Coffee which honored some 170 MMC employees.



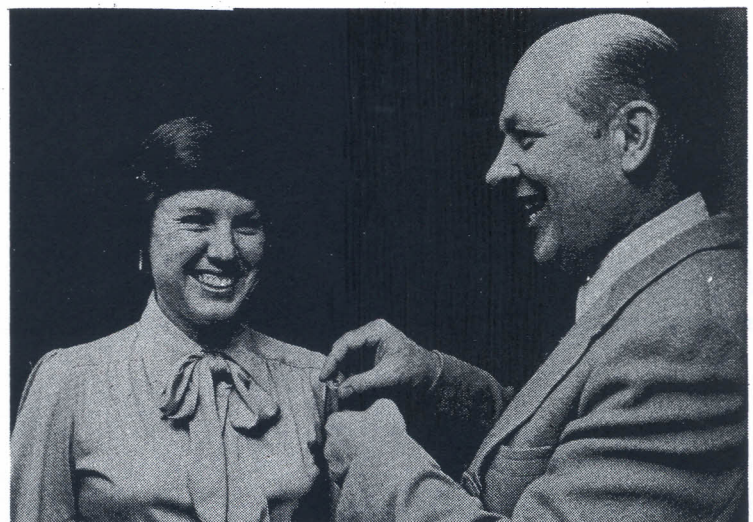
Frances Dennett, Cafeteria, receives her 30-year pin from Executive Vice President and Treasurer Donald L. McDowell (above). Margaret Franco receives her 5-year pin from J. Philip Nelson, Manager of Ambulatory Services (below).



Ann Nelson receives 5-year pin from Chief Operator Cynthia Rendall.



Mr. McDowell congratulates Betty Legere, RN, on 25 years of service.



Chaplaincy Secretary Sally Nason receives her 5-year pin from Reverend John Simpson. (A/V Photos)



## FINANCES, from page 1

and services), the amount it owes in long-term debts (construction and equipment loans, etc.), and other financial obligations. If you subtract the liabilities from the assets, what is left over is called the 'fund balances,' he says.

MMC's financial picture can be compared roughly with that of an individual, according to McDowell. If a person owns a car, a home, and household furnishings plus a little cash in the bank and in his pocket, and is owed money by a few people, the sum of those amounts represents his total assets. On the other hand, the person has liabilities, which include the loan on the car, the mortgage on the home, and bills that are due. To find his personal "fund balance," he would subtract all his liabilities from all his assets; that would give him the difference between everything he owns and everything he owes.

The key point to be made is that 'fund balance' is simply the result of that kind of subtraction. The only way to turn MMC's fund balance of \$34.5 million into cash would be to liquidate the hospital's assets and use the money to pay off all the liabilities. Then we would indeed have \$34.5 million in cash. The problem is, we would have no hospital, no equipment, and no staff.

Out of the \$44.5 million in assets shown on the 1980 balance sheet, \$27.8 million is tied up in land, buildings, and equipment, and another \$450,000 in inventories. Most of the rest -- some \$15.4 million -- is in the form of money owed the hospital by patients and other parties, and some miscellaneous debts owed the hospital. At any given time, the "large surplus fund" MMC is "sitting on" adds up to a mere \$1 million or so, which McDowell says is barely enough to cover a single week's payroll.

"The hospital does have an excess of income over expenditures," says McDowell, "which it must have in order to survive. The business of non-profit hospital financial management is the balancing act of keeping charges as low as possible while making enough 'profit' to allow us to keep our buildings and equipment in proper working order and replace them as they become outdated."

McDowell characterizes the assertion that we have no incentive, or worse still no desire, to hold down rates as absurd. Last year, he notes, our various departments submitted requests for new equipment that totalled \$11 million. "Each one of those requests," he says "was for equipment that would have improved or extended the high quality of health care at MMC, but due to our self-imposed budget restraints, we were only able to fund \$3 million of the requests. If we were as fiscally irresponsible as some would paint us to be, we would simply have bought the \$11 million worth of equipment and then raised our rates to cover it."

Senator Najarian has also asked that Governor Joseph E. Brennan appoint a blue ribbon panel to study the financing of hospital services and to consider the possibility of establishing a mandatory rate-setting program.

McDowell points to the Voluntary Budget Review Organization (VBRO) as an effective oversight program, and one that is already in place. "The VBRO -- just by the fact that it's there -- has made hospitals double and triple check their requests because they will be reviewed by their peers and other citizens.

"The VBRO has teeth," McDowell says. "They screen requests very carefully and send back any that fail to pass their scrutiny."

The VBRO, a statewide organization,

## what's happening

WHAT'S HAPPENING is published every Wednesday at Maine Medical Center, Portland, Maine for members of the Hospital community and for friends of the institution throughout Maine and northern New England. Comments, questions and suggestions may be addressed to the Editor, Public Information Office, MMC, Portland, Me., 04102. Barbara Burns, Editor.

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is made up of consumer representatives and representatives from hospitals and third-party payors. Each year they review the budgets of all Maine hospitals for reasonableness as defined in the Health Facilities Information Disclosure Act.

Voluntary efforts at cost containment are part of the daily process at most hospitals, McDowell says. He points especially to Maine Medical Center and observes: "I've never seen a hospital whose employees are more fiscally responsible. From an Engineering Department that goes out and finds the most efficient waste incinerator, to Nursing, Housekeeping, Accounting... all departments are cost conscious here -- and it's all aimed at keeping the cost of health care down.

"We have a great crew here," McDowell says. "They deserve to be praised for their efforts, not kicked."

## Marketplace

**FOR RENT:** Deering Ave. 2 BR, LR, DR, kitchen, full bath. Totally renovated. Appliances, parking, laundry, no pets. \$410/mo. plus utils. Call 774-1562.

**FOR SALE:** Stereo equipment package: Phillips 7861 50-watt receiver; Sanyo TP1 1010 turntable/Signet 5 cartridge; Pioneer SC-T650 metal capable tape recorder; Dokorder 10½" professional reel-to-reel; Presage 3-way studio monitor speakers. Moving, must sell. \$2,800 invested, asking \$1,500. Call 797-2677 after 5:30 PM.

**WANTED:** Anesthesiology resident and wife need small house, farm or flat to rent beginning July 1 or sooner. Call 304-599-2465 or write Bill Shabb, 997 Chestnut Ridge Rd., Morgantown W.V. 26505 with possibilities. We have a dog.

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