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HEADLINE: Non-doctor to guide Hopkins into new era

BYLINE: Eric Fisher; THE WASHINGTON TIMES

BODY:

Illustrating the increased attention being paid to fiscal issues in medicine, Johns Hopkins University in Baltimore has selected a career administrator, rather than a physician, as the new president of Johns Hopkins Hospital.

Ronald R. Peterson of Bel Air, who had served as the interim president since September, was appointed last week to the post permanently. Mr. Peterson, 48, is the second president of the hospital this century without a medical degree.

The 107-year-old, 1,036-bed hospital, which has research and teaching components beyond patient care, has long enjoyed a reputation as one of the leading medical centers in the country. U.S. News & World Report's annual survey has ranked Johns Hopkins the nation's best hospital six years running, and American Health magazine this year delivered a similar honor.

Mr. Peterson said his primary missions as president will be to prepare Johns Hopkins for the continued growth of managed care and to deal with greater competition by cutting hospital costs to patients. The hospital's goal is to reduce pricing by 10 percent to 12 percent within three years, a "formidable task," Mr. Peterson said.

"We have to work hard to pare down the cost structure," he said. "The marketplace is not forgiving nowadays when it comes to price differences."

Johns Hopkins Hospital has an operating budget of \$600 million for fiscal 1997.

Mr. Peterson said he expects that nearly 70 percent of the hospital's patients will be treated under managed care within a few years.

"A lot of what's going on is in reaction to changes in the marketplace. It's a time of change where we're concerned about preserving our core missions," Mr. Peterson said. "Hospitals are being forced to transform to a more integrated form of delivery, to more longitudinal care instead of episodic care."

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Mr. Peterson, who holds an undergraduate degree from Hopkins and a graduate degree in hospital administration from George Washington University, will also serve as acting president of the Johns Hopkins Health System. He has been at Hopkins since 1973 and has run the Henry Phipps Psychiatric Clinic, Hopkins Children's Center and the hospital's cost-improvement program.

Johns Hopkins officials said they also are seeking a permanent "medical czar" to oversee all hospital and medical school functions.

GRAPHIC: Photo, Ronald R. Peterson

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