

Fulton, Welch, Kirkman, Pincoffs, Weiss. Physicians, state employees, hospital administrators—they worked closely together in the common interest of better medical care for all Marylanders.

From the turn of the century, when the State recognized its responsibility for the hospital care of low-income patients, the development of the program to its present status can be summed up quickly. In 1912, the Board of State Aid and Charities attempted to compute a per diem cost per patient and to relate the annual state appropriation to the cost of care less hospital revenue. In 1940, the State began to pay hospitals for the number of days of care rendered to the indigent at a fixed rate. In 1943, the State Department of Welfare undertook to determine eligibility of patients. In 1949, the financing and administration of the program was transferred to the Health Department, while welfare continued to determine eligibility. In 1958, for the first time a formula was adopted which tied state payments to hospital costs, with all hospitals, large and small with consequent variation in costs, being paid the same amount per patient day.

And then, during the first year of my term, the State took the momentous step forward which I mentioned—payments to hospitals in direct relationship to the actual cost of rendering the service. The new formula reimburses hospitals for 80 per cent of their actual costs, and computes this for each hospital's individual costs. This new concept has been of tremendous benefit to our community hospitals. In Baltimore, we have institutions with a broad scope of service and enjoying international reputations. Voluntary community hospitals have been established to serve other areas of the State.

The State, on its part, operates a system of hospitals for the care of long-term illnesses, including chronic disease, mental illness and tuberculosis. It also maintains, as a part of the University of Maryland, the University Hospital, which renders a community service and at the same time serves as a teaching hospital for the University of Maryland School of Medicine.

The so-called "progressive care" of patients—classifying them as to hospital requirements rather than as to diagnosis—has been practiced in Maryland for a number of years. The voluntary non-profit community hospitals offer short-term care for the acutely ill. If, after the acute stage has passed, the patient is in need of rehabilitative services, he is transferred to one of the State's chronic disease hospitals. And finally, if the patient is in a condition that requires continuing nursing care, he may be transferred to a nursing home.