

No. 37

(Senate Joint Resolution No. 70)

A Senate Joint Resolution concerning

University of Maryland Hospital

FOR the purpose of urging the Governor to appoint a special oversight body to insure the expeditious implementation of cost reduction measures in the University Hospital.

WHEREAS, The General Assembly requested the Department of Budget and Fiscal Planning in 1974 to have a management analysis undertaken of the University Hospital; and

WHEREAS, The Governor concurred and provided \$250,000 for this purpose; and

WHEREAS, A consultant contract was awarded to the Medicus Systems Corporation, nationally recognized experts in the field of hospital administration; and

WHEREAS, The final report reveals that the Hospital .

- . has over \$40,000,000 in Accounts Receivable
- . could obtain an estimated \$11,000,000 one-time "windfall" cash collection
- . could save \$8,000,000 annually by implementing better billing and cost allocation systems
- . could save over \$1,500,000 annually through improved manpower productivity measures
- . could reduce the cost of data processing services over \$400,000 annually
- . could realize additional manpower savings in the major departments of nursing and housekeeping not surveyed in this study; and

WHEREAS, The University has established a Hospital Committee within the Board of Regents, but it does not serve as a truly independent governing board according to the Medicus Report; and

WHEREAS, It is deemed advisable to supplement the Hospital Committee with a special oversight body until such time as required for the Legislature to review the organization recommended by Medicus; now, therefore, be it