

## 1. Meaning of a hospital

According to the World Health organization, Health is a “State of complete physical, mental and social well being and not merely the absence of disease or deformity” .One of the fundamental rights of every human being without distinction of race, religion, political belief, etc. is the enjoyment of the highest attainable standard of health . But, owing to a variety of factors like lack of health consciousness, low per capita income, lack of adequate education, on availability of proper sanitary condition and safe drinking water, unhealthy social taboos etc., the health status of the average Indian remains dissatisfactory. It has been the endeavor of successive Government in India to improve the situation. This is especially so after the Independence. The National Health Policy which was approved by the Parliament and announced by the Government in 1983 marked a beginning to the Quest for equity in health expressed as WHO’s goal of “ Health For All ” by the year 2000 A.D. . To achieve this goal massive inputs with restructuring of the organization setup and management has been achieved incurring huge amounts of revenue expenditure as well as capital expenditure financed from various sources- Central Government, State Government and externally aided projects. In views of this currently there have been many emphases on analytical study of hospital management pattern of health care expenditure and determination of costs of service. As the present research study is on a managerial appraisal of public hospital in Gujarat (Located at district head quarter), in this chapter the researcher has tried to present theoretical aspects of Hospital Management.

Hospital first came into existence prior to 1000 B.C. .

## LECTURE 8

Grammar of the word differs slightly depending on the dialect. In the U.S. hospital usually requires an article, in Britain and elsewhere the word is normally used without an article when it is the object of a preposition and when referring to a patient (“into the hospital’s”) in Canada, both usages are found

During the Middle ages the hospital could serve other functions, such as almshouse for the poor, or hostel for pilgrims The name comes from Latin hospes (host), which is also the root for the English words hotel, hostel and hospitality. The modern word hospital derives from the French word hostel, which featured a silent h, which was eventually removed from the word; French for hospital is hospital .

In the present time, a hospital is an institution for health care, often but not always provides large term patient stays. “The hospital is an integral part of the social and medical organization, the function of which is to provide for the population complete health care, both curative and preventive, and whose outpatient services reach out to the family and its home environment. The hospital is also a centre for training of health workers and for biosocial research” .

The modern concept of the hospital visualizes it, as one of a comprehensive system of preventive and curative medicine and as an institution devoted not only to inpatient treatment, but also to ambulatory and domiciliary use .

From above definition, it can be said that the hospital is a complex organization and an institute which provides health to peoples through complicated but specialized scientific equipment and a team of trained staff educated in the problems of modern medical science. They are all co-ordinate together for the common goal of restoring and maintaining a good health of the people who go there for relief from the pain, suffering and disease.

Thus, the hospital is a specialized body where the patient care is the focal point and about which all activities of the hospital revolve. The physician who examines and takes care of the patient is in the principal position and special facilities and trained personnel are provided to him to make his work easy and efficient, trained personnel includes technical staff of nurses, dieticians and pharmacists.

From the organizational and administrative point of view, a hospital is virtually a city within a city. Within its four walls, it has an operation theatre, a hospital which is in the shape of the patients rooms, a dormitory for student nurses, residents and interns, a school for training of nurses, technicians, dietician, laboratories, a pharmacy, food vending operations, laundry and linen service, delivery service, a post office, massive internal and external communication system, blood bank, accounting and credit services, a public relation department, a motor service, and security patrols <sup>9</sup>. In short the hospital is a healthcare Organization.

## **2. Meaning of hospital management :**

Hospital Management can have different meanings

- Management as a process: Often it is said that it is a professionally managed hospital; it is well managed hospital, meaning thereby the management is described as an activity, type of work. Management applies certain principles, techniques and activities which are performed by certain management functions. What the hospital Management does is Management.
- Hospital Management is a subject: A subject, a discipline taught in universities, colleges or institutes. It is an accumulated body of knowledge that can be learned, at some places the broad specialty is Health Management including Hospital Management. Various degrees, diplomas, certificate courses are run by the institution/universities.

- Hospital management as people: The Management of this hospital is very insensitive, the hospital management of this hospital is not responsive to society are the terms often used. While using these terms, we are referring to body of people responsible for management, the board of directors, director, medical superintendent and his team.
- Hospital management as career: News published in the national daily says that hospital management will be among top ten careers in the next decade. Such statements imply that hospital management is a career.

The team management has been defined by different experts as below

**According to Hawalskantz,**

- “Management is the art of getting things done through and with the people in formally organized groups.”

**According to George Terry,**

- “Management is the process undertaken by one or more person to coordinate the activities of other persons to achieve results not attainable by any one person acting alone.”

**According to McFarland,**

- “Management is a distinct process consisting of activities of planning, organizing, actuating and controlling, performed to determine and accomplish stated objectives with the use of human beings and other resources.”

From above discussion, the application of management in hospital can be defined as below.

- A. As a hospital administrator, he has to carry out management functions of planning, organizing, staffing, directing, controlling and coordinating.

- B. Management applies to all kinds of organization, whether government or non government, small or big hospital, profit making hospitals or charitable hospitals.
- C. It applies to administrator at all organizational level, whether lower level or top level.
- D. The aim of all administrators is the same that is to maximize the output.
- E. It is concerned with productivity that implies effectiveness and efficiency.

### **3. Evolution of hospitals :**

Evolution of hospitals has been divided into two parts

#### **3.1 History of hospitals**

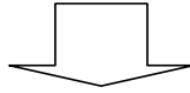
#### **3.2 Changing concept of hospitals**

### 3.1 History of hospitals :

History of hospitals has been discussed under six heads as below

#### Chart :1.1 History of hospitals in ancient period

Hotel Dieu,Paris – 542 AD



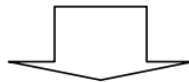
St.Bartholomew's Hospital, London 1123 AD



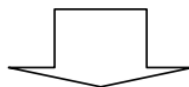
Spanish Hospital,Mexico City 1524 AD



Bellevue Hospital New York 1736 AD



First General Hospital, North America  
(Pennsylvania Hospital) 1751 AD



Massachusetts hospital 1811 AD

(a) Early History: The word hospital originates from Latin word 'hospice' . A place where a guest is received is called hospitable, an institution for the care of sick and injured. In the early period, during Greek and Roman Civilization the temples were used as hospitals and these hospitals were integral part of the temples. With the birth and spread of Christianity, the hospitals became an integral part of Church. Some of the notable hospitals established in Europe date back to ancient times. The earliest Hospital was founded at Hotel Dieu,

Paris in 542 AD. St Bartholomew's hospital London dates back to 1123 AD. In 1524, Spanish built the first hospital in Mexico. The first general hospital opened in 1751 in North America as Pennsylvania hospital. Thereafter, Bellevue Hospital in New York in 1736 and Massachusetts Hospital in 1811 AD.

The advances in medical science in the field of microbiology, pharmacology, radiation, blood transfusion, anesthesiology, surgical techniques and computers all led to exponential growth in hospital services.

- (b) Ancient Asia: Sri Lankans are responsible for introducing the concept of dedicated hospitals to the world. The ancient Chronicle of Sinhalese Royalty written in 6<sup>th</sup> century A.D, King Pandukabhaya had lying in homes and hospitals built in various parts of the country. Mihintale Hospital is perhaps the oldest one in the world. King Ashoks founded 18 hospitals in 230 B.C. These were state supported hospitals. The first teaching hospital was the Academy of Gundishapur in the Persian Empire .
- (c) Modern Era: By the mid 19<sup>th</sup> Century most of the Europe and United States had established a number of public and private hospital systems. In Continental Europe, the new hospitals were generally built and run by public funds. In the United Kingdom, the hospital sector is dominated by National Health Service. In the United States, the traditional hospital is a nonprofit hospital. In the late 20<sup>th</sup> Century, the concept of nonprofit hospital was switched over to chains of for profit hospital.
- (d) Period of Growth: The first hospital in USA was founded in 1751, the Pennsylvania Hospital. Rapid growth in the field of hospital occurred in between 1860 to 1920; however the number reached to its peak to 7370 in 1924. The main reason to the growth of the hospital can be

credited to the rapid advancement in the field of medicine. During 19<sup>th</sup> century, allopathic medicine was only one of many theories of the disease causation and cure. Before 1900, most of the hospital was proprietary, in a significant development. The John Hopkins University Medical School was founded. Emergence of nursing as a profession and change in society's attitude towards hospital shaped the role of hospital in patient care further. Florence Nightingale was instrumental in these changes. First three schools of Nursing in United States were established in 1973. Improvement in society's attitude towards acute care hospitals occurred slowly .

(e) Consolidation ( 1920-1950 ) : The increasing average size of the hospitals improved the comprehensiveness and quality of medical care. The American College of Surgeons (ACS) was constituted in 1913. The ACS developed standards for hospital "Hospital standardization Program" in 1918, for approval. Later on, this program was taken over by joint Commission on Accreditation of Healthcare Organization (JCAHO). The JCAHO is instrumental in development in application of structure, process and outcome criteria for hospitals another event effecting the growth and development of hospitals between the period 1920 to 1950 was introduction and operation of insurance section in the health care in United States. The general and acute care hospitals established during the period were mainly from private and voluntary action during Second World War. The number of hospital increased significantly. During 1970, hospitals were included under federal labor legislation in USA<sup>17</sup>. The hospital in the present era is now not only high-tech, but also operating from remote places like tele surgery and tele medicines. The hospital not only providing care and comfort to patient, but also to the visitors, attendants of patients. We are moving one step further to medical tourism The hospitals have grown

from the time of free treatment, fee for service to profit making organization, trying to compete with any corporate sector.

- (f) Hospitals after independence: India became free in 1947 and there were 7400 hospitals and dispensaries in India . There were 113000 beds with bed population ratio of 2/1000 population . There were 19 medical colleges and 19 medical schools . it was felt by Government of India that with the rising population and projected growth rate, it would not be possible to cope up with the health needs and demands of the community. Various committees were formed to suggest means and methods to reorganize the health care delivery system. Some of these important committees were Bhore Committee, Mudaliar Committee, Jain Committee, Siddhu Committee, Rao Committee, Sri Vastava Committee and Bajaj Committee.

As per Health information of India, we have 229 medical colleges, 189 dental colleges, 209 Ayurvedic medical colleges, 36 Unani, 6 Siddha and 180 Homeopathic medical colleges, 36 Unani, 6 Siddha and 180 Homeopathic medical colleges . As on 1<sup>st</sup> January, 2002, India has 15393 hospitals with 914543 total beds and 89 beds/lakh population . India has 3043 CHCs, 22842 OHCs and 137311 Sub Centers as on 1<sup>st</sup> March, 2001 . Since independence, lot of advancement has been made in health sector but still much remains to be done because still all these figures are far below the national target of at least 1 bed/1000 population as recommended by Mudaliar Committee in 1961 .

### **3.2 Changing concept of hospitals :**

The concept in the field of hospital is fast changing, The changing concept of hospitals is broadly divided into four periods.

### **1. Trusteeship Period**

Most of the hospitals were run and managed by the trustee's. The advances in technology were minimal during that period. This period lasted till 1920. The doctors and nurses are not working for money, the approach was only humanitarian. The objectives of the hospital remained to provide comfort to the patient.

### **2. Physician Period**

It was being utilized for medical. The hospitals were being utilized for medical practice. The laboratory medicine developed during the period 1940 to 1950. The political and economic environment started influencing the hospitals.

### **3. Administrative and Team Periods**

The hospital practice became a team approach. The advances in technology became more rapid. The use of computers and application of computers in patient's care and management of hospitals changed the scenario. People started thinking about professionally managing the hospital.

### **4. Growth of Corporate Sector**

With liberalization policy of the government all over the world lead to globalization. The rapid advancement in the field of information technology, with fast and safe air travel all over the world lead to the concepts of medical tourism, the concept of corporatization of the hospital. The hospital concept has changed from service approach to the profit making approach. The doctors have started thinking on management principles and functions for productivity. Telemedicine is a new addition. The patients can be treated and monitored by remote devices. The government all over the world has started thinking about easing the burden of financing the healthcare. The new emerging concept of contracting or public-private-partnership (PPP) is

growing very fast. The financing of health services through insurance sector has become need of the hour.

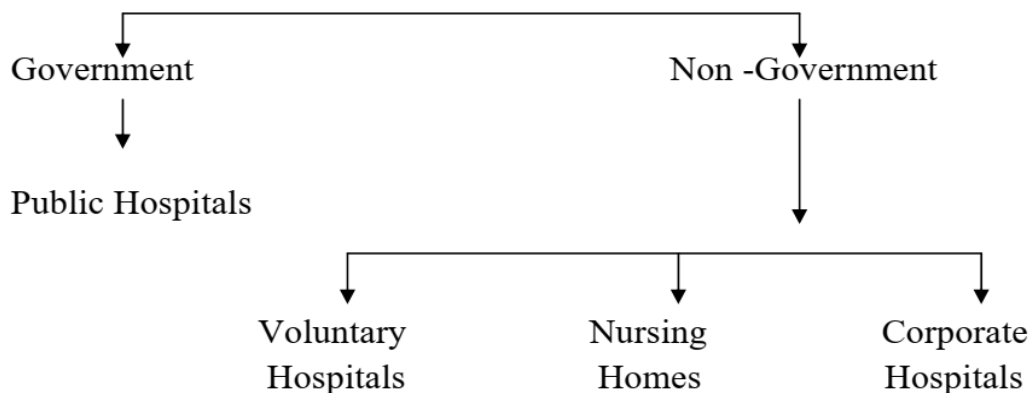
#### 4Types of hospitals:

There is wide range of hospitals Some hospitals are small, some are big, some imparting teaching and training facilities, some are owned by private bodies, some are special hospitals and so on. These hospitals can be categorized or classified in several manners. Some of the methods of classification of hospital are given below

##### a. According to ownership and control.

**Chart 1.1.1**

Classification of hospital based up on ownership and control is present as below :



- **Public hospitals:** The hospitals run by central or state government, local bodies and public sector undertaking. The hospitals are purely service organizations and nonprofit making hospitals. Examples are civil hospitals.
- **Voluntary Hospitals:** These hospital are registered under the societies act or public trust act. They are run by trusts and on non commercial basis examples, charitable hospitals.
- **Nursing Homes:** Generally owned and, managed by individual doctors. These hospitals generally do not admit cases of medico legal

importance and the patient care services are usually provided in some of the specialties of medicine. Some of the nursing homes provide only maternity care. Some hospitals even provide tertiary care in some super specialties like cardiology, Nephrology. Example is Mayo medical centre. Awadh Hospital at Lucknow city, etc.

- Corporate Hospitals: These hospitals are run on the basis of profit-earning and are registered under companies act. Examples are Hinduja Hospital, Apollo Hospital, etc.

### **b. According to Directory of Hospital**

**Chart 1.1.2**

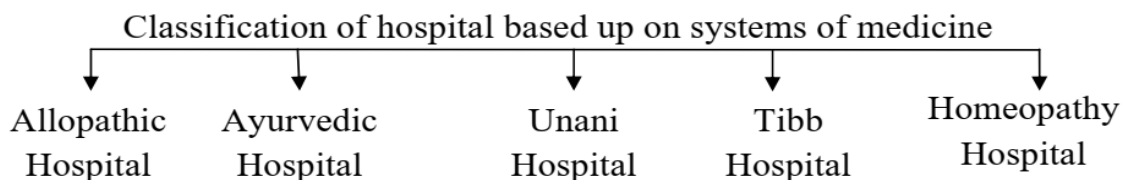
Classification of hospital based up on directory of hospital.



- General Hospital: These hospitals usually provide medical care in more than one broad specialty and there is no strict departmentation.
- Rural Hospitals :The hospitals located in rural areas.
- Specialty Hospitals : Hospital providing medical care usually in one or more specialty like TB Hospital, Eye Hospital, Cancer Hospital, heart centers etc .
- Teaching Hospital :Usually the hospitals attached to medical college
- Isolation Hospital :Hospitals providing patient care to communicable diseases.

### **c. According to systems of medicine.**

**Chart 1.1.3**

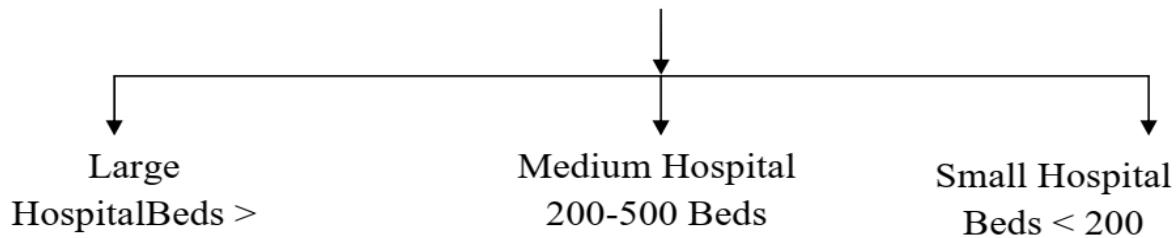


Various systems of medicines like Allopathic, Ayurvedic, Unani, Tibb, Homeopathy, have their own hospital.

**d. According to size of hospital.**

**Chart 1.1.4**

Classification of hospital based up on size of hospital

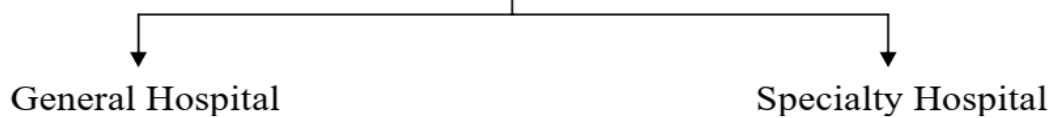


The hospitals can be classified as small, medium or large size depending upon the bed strength of the hospitals. Hospitals having more than 500 beds are usually called large hospitals. Hospitals having bed strength from 200 to 500 are called medium size hospitals and hospitals having less than 200 beds are small hospitals.

**e. According to clinical base.**

**Chart 1.1.5**

Classification of hospital based up on clinical base

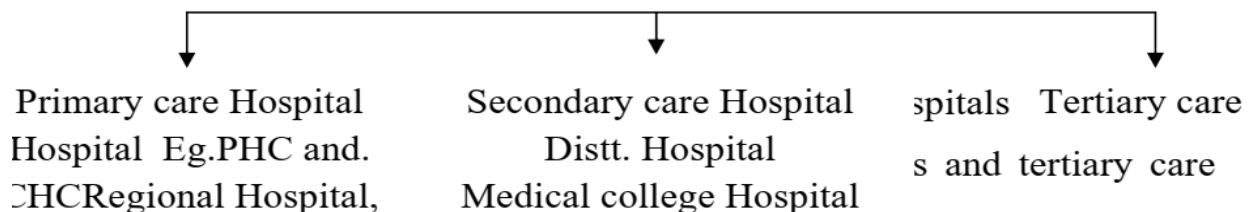


The hospital can be classified as general hospital or specialized hospital.

**f. According to level of care.**

**Chart 1.1.6**

Classification of hospital based up on according to level of care



hospitals like regional hospitals or hospital associated with medical college.

**g. According to teaching facilities.**

**Chart 1.1.7**

Classification of hospital based up on teaching facilities

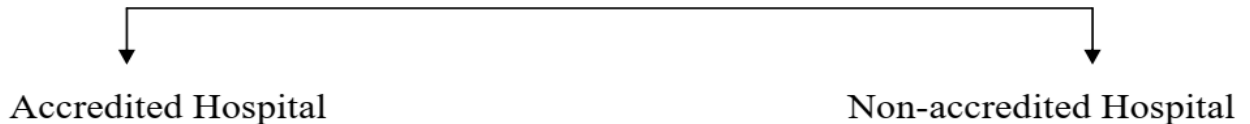


The hospital can be classified as teaching hospital or non teaching hospital.

**h. According to accreditation.**

**Chart 1.1.8**

Classification of hospital according to accreditation

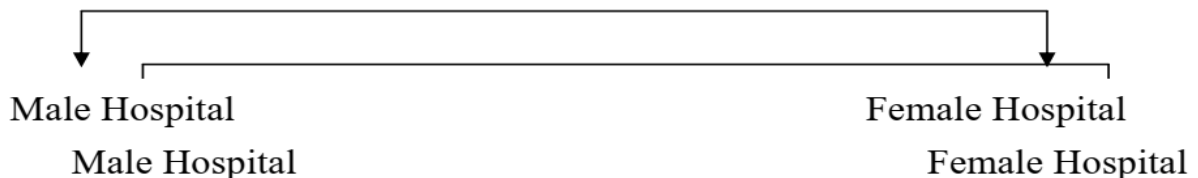


Now on time to come, the hospital will be classified as accredited hospitals and non accredited hospitals. In USA and Europe, this lassification is more relevant, as far as the quality of medical care is concerned.

**i. According to gender.**

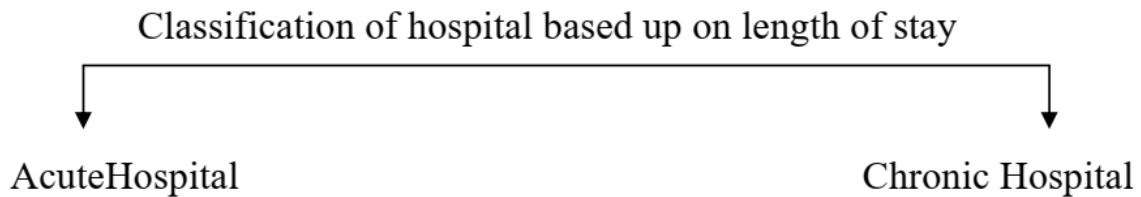
**Chart 1.1.9**

Classification of hospital based up on gender



Some of the hospital is also classified on the basis of male hospital and female hospital, particularly in the public sectors, at district level.

**j. According to length of stay.**

**Chart 1.1.10**

Hospitals can also be classified on the basis of length of stay of patients. The hospitals may be under the category of short term or long term or acute or chronic hospital respectively.

### **5. Roles of hospital Administrator:**

By virtue of serving a health care organization, the hospital administrator performs some specific roles which are described below. The hospital administrator ensures that hospital runs effectively and efficiently. The role of hospital administrator varies, depending up on the nature and complexity of hospital, various roles can be grouped as role towards patients, towards hospital organization, towards community.

#### **5.1 Role Towards Patients,**

#### **5.2 Role Towards Hospital Organization,**

#### **5.3 Role Towards Community,**

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