

and has time, and social service has a great deal to offer in helping him and perhaps his family adjust to altered modes of living, the prospect of death, and of diminished energy and ability.

As a first step, I would urge hospitals to take a hard look at the characteristics of the older people who are coming through their doors, regarding well their length of stay, their marital status, the number of visitors they have, ascertaining on whom they rely, and trying to ferret out what it is that concerns them about their hospitalization.

No one should mistake the purpose of this memorandum. It is not to criticize or complain. I went to this hospital because I sought out a particular surgeon. I secured excellent medical care and, for the most part, excellent nursing care. My goal was to correct a bodily defect through surgical intervention. This goal will have been achieved. Despite what deficiencies may have existed that I have described above, measured in terms of the goal established, one must report success. However, not all cases are that simple and in not all cases are the results so direct. In some cases those good results are achieved only at the cost of a certain amount of anguish and aggravation. Perhaps this memorandum can serve to avoid some of that anguish.

Other cases, however, will not "succeed," and failure may be ascribed to failures in the system. This memorandum is in part addressed to that possibility. Beyond that, I think that all of us have some duty to try to improve on what may already be a reasonably good operation. Here again, this is among my prime purposes in writing all of this down. My main hope is that this memorandum will serve some constructive purpose.

Case 14

Whose Hospital?

Anthony R. Kovner

Tony DeFalco, a 42-year-old electrical engineer, and president of the board of trustees of Brendan Hospital in Lockhart, East State, wondered what he had done wrong. Why had this happened to him again? What should he do now? The trustees had voted, at first 10 to 6 and then unanimously, to fire Don Wherry, the new chief executive officer. Brendan Hospital had hired Wherry, who had been DeFalco's personal choice from more than 200 candidates, just 18 months before. DeFalco had told the trustees that he shared the burdens of managing Brendan Hospital with Wherry, that there was no way of dissociating Wherry's decisions from his own decisions. So in a way, DeFalco pondered, the board should have fired him, too.

Tony DeFalco had lived in Lockhart all his life, and he loved the town, commuting one-and-a-half hours each day to his office at National Electric. Lockhart was one of the poorest towns in the poorest county in central East State, with a population of about 50,000, of which 30 percent were Italian, 25 percent Puerto Rican, and 10 percent Jewish. The leading industries in town were lumber, auto parts manufacturing, and agriculture.

On June 7, 1979, Joe Black, president of the Brendan Hospital medical staff, had called Tony DeFalco, telling him that some doctors and nurses had met over the weekend and that they were going to hold a mass meeting at the hospital to discuss charges against CEO Wherry. DeFalco had called Wherry immediately in Montreal, Canada, where Wherry was giving a lecture to healthcare administration faculty about the relationship between the chief executive officer and the board of trustees. Wherry was as shocked as DeFalco had been and returned immediately to Lockhart. That night DeFalco and Wherry went to a hospital foundation meeting near where the mass meeting was being held in the hospital cafeteria.

DeFalco and Wherry had been planning the foundation meeting for several months now. It had been scheduled and rescheduled so that all eight of the prominent townspeople could attend. The key reasons behind forming the foundation were to enlist the energies of community leaders in hospital fundraising, thereby freeing the hospital board for more effective policymaking, and to shield hospital donations from the state rate-setting authority. Brendan Hospital had held a successful first annual horse show the previous fall, netting \$10,000 and creating goodwill for the hospital, largely through the efforts of DeFalco and two dedicated physicians who owned the stable and dedicated the show and all proceeds to the hospital. Because this was a very important meeting, and because they had not been invited to attend the mass meeting, DeFalco and Wherry decided to attend the foundation meeting. There, they elicited a great deal of verbal support for the foundation, and for DeFalco's leadership. The community leaders were familiar with the problems of employee discontent in their own businesses and with the political maneuverings of former Brendan medical staffs. It would all calm down, no doubt. The wife of the town's leading industrialist said she appreciated DeFalco's frankness in sharing the hospital's problems with them.

But, of course, everything was not yet calm. The mass meeting was held and a petition signed to get rid of Wherry. The petition was signed by half the medical staff and by half the employees as well. A leadership committee of four doctors and nurses demanded Wherry's immediate resignation, and it was rumored that if the board didn't vote Wherry out, the committee wanted the board's resignation as well. Brendan Hospital was being site-visited for JCAHO accreditation that Thursday and Friday. A board meeting was held on Wednesday afternoon, before the site visit. After much discussion, a decision emerged to meet with the staff and employee representatives on the following Monday. The accreditation site visit somehow went smoothly.

The four doctor and nurse representatives met with the board on Monday afternoon, stating that they could not speak for the others. They delivered the petition to DeFalco, who read it to the trustees. The petition stated that the undersigned demanded Wherry's resignation because he was "incompetent, devious, lacked leadership, had shown unprofessional conduct, and had committed negligent acts." The representatives would not discuss the matter at that time. They had been delegated only

to deliver the petition. Thus, DeFalco scheduled another board meeting for the following Wednesday afternoon to hear all the charges by all the accusers and to allow Wherry to confront his accusers, 13 days after the mass meeting of June 8.

The meeting of June 22 was attended by eight physicians, 18 registered nurses, five department heads, a laboratory supervisor, one dietary aide, and the medical staff secretary. (For an organization chart of Brendan Hospital see Appendix 14.1) All but one of the 18 hospital trustees were in attendance, including Wherry, who was a member of the board. The meeting was held in the tasteful new boardroom of Brendan Hospital, complete with oak tables and plush burgundy carpeting. The committee's presentation is summarized as follows.

The Accusers' Charges

Perrocchio: The most important thing we have to discuss today is patient care. That's why all of us are here. Many of us are not here because we have a personal gripe, but because we want to do what's best for the patient.

Tully (department head): Mr. Wherry humiliated and intimidated three department heads, Mr. O'Brien, Mrs. Williamson, and Mr. Queen.

Pappas (department head): There is a bad morale problem in the laundry.

Patrocelli (supervisor): Laboratory morale is low. There are too many people in other departments and not enough personnel in our department. Companies who deliver to us have put us on COD.

Fong (department head): Mr. Wherry humiliated Mr. Queen.

Frew: There has been a problem in staffing new areas of the hospital. We were told that these would be adequately staffed. I realize they haven't opened yet.

Tontellino: Several months ago a nursing survey was sent around by Mr. Wherry, and we all sent in our responses. We have received no response from Mr. Wherry about the survey.

Carter (RN): We need more help on the floors.

Greenberg: Insensitivity is the problem. The administrator, as you can see from all the comments made so far, is insensitive to the people who work in the hospital.

Santangelo (medical staff secretary): The director of volunteers' salary should have been explained to the rest of us. Employees should continue to get the \$5 and \$10 Christmas bonus. It means a lot to many of them. Mr. Wherry has created a whole lot of unnecessary paperwork. I don't feel he heard what we were telling him.

Lafrance (RN): There has been a lack of communication between administration and employees. Mr. Wherry actually has asked people to give him the solution to a problem they presented to him.

Shaw (RN and former director of nursing): Mr. Wherry used four letter words in his office with me. He called one of our attending physicians a . . .

Levari (RN): When there was a bomb scare, Mr. Wherry came to the hospital and stayed for 20 minutes. Then he left before the police came, which I definitely think was wrong.

Leon (RN): It took Mr. Wherry ten months to call a meeting with the head nurses. Problems in nursing have to be solved around here by the nursing department.

Kelly (RN and assistant director): The problem has been lack of communication. I was humiliated when I presented a memo to Mr. Wherry about increases in operating room expenses. He said he couldn't understand what was in the memo, although it was right in front of him. His whole manner was rude.

Phillips (RN and assistant director): When the state inspector came on one of her inspections, she said that Mr. Wherry should be dumped.

Santangelo (medical staff secretary): He told Dr. Burns one thing and me another when we needed extra help in my office.

Bernstein (RN): Mr. Wherry was evasive and showed a lack of concern. He asked me for my suggestions. I told him to put an ad in the paper to get more help, and it was in the next day. Nurses were not present at administrative meetings.

Brown (department head): Mr. Wherry said Dr. Black would also have to sign an x-ray equipment request for \$100,000. That is poor leadership.

Ferrari (RN): I didn't like the tone of his response when I called him at home to ask about treating a Jehovah's Witness in the emergency room. When we call Mr. Queen, the associate administrator, we nurses never experience that kind of problem.

Lashof (department head): I felt intimidated by Mr. Wherry. The hospital has a morale problem that interferes with patient care.

Brown (department head): He said to me "If you can't handle the problem" (we were having in x-ray) I'll find someone who can."

Charlotte (RN): I've had a problem with my insurance and the personnel department still hasn't gotten back to me for three weeks now. I am divorced and I have a little girl, and it's really creating a hardship for me. I don't understand why Mr. Gonzales, the personnel director, hasn't gotten back to me. I've called him about it many times.

Lafrance (RN): Mr. Wherry sounded upset and annoyed when I called him at home about the electrical fire in maternity.

Gerew: The problem is communication. Mr. Wherry promised something and he didn't deliver. I have been working here for three years trying to develop a first-class radiology department. How can we cut costs and improve service in the outpatient department? I asked for help from fiscal affairs and I didn't get any.

Lavich: The family no longer has any confidence in its father. There was a unanimous vote of no confidence for Mr. Wherry in my department.

Greenberg: Mr. Wherry has a repressive style. There has been a tremendous turnover of personnel in the nursing department since he became the administrator.

Mendez: There is poor morale at the hospital. The nurses are upset. Mr. Wherry used derogatory language concerning foreign medical graduates. This was in the student administrative resident's report on what to do about the emergency room. Let's remove what is causing the problem.

Black (president of the medical staff): Department heads should be on board committees. No one came around and told department heads that they were appreciated. People at Shop-N-Bag make more money than nurses. Our medical people want to be appreciated, too.

Frew: Tony DeFalco, the board president, is seen as being in Mr. Wherry's pocket. There must be accountability for the situation that arose. I have no personal grievance. Accountability starts at the top.

Black: Dr. Fanchini was behind a good deal of what I was doing. A lot of critical things have happened, making for a crisis situation. Dr. Simba was hired to head up the emergency room, without adequate participation

of the medical staff. Dr. Fanchini resigned as a board member. Dr. Burns resigned as president of the medical staff because of his personal problems. Mr. Wherry said that Dr. Severio was not really a cardiologist. The radiologists at Clarksville Hospital asked for emergency privileges. What made the medical staff unhappy was when Mr. Wherry said we weren't going to get a CT scanner and when he said that there were no problems in nursing morale. At the meeting of the medical executive committee held this Monday night, June 20, the committee reaffirmed our lack of support for Mr. Wherry, giving him a vote of no confidence by a vote of ten for the motion, one against, and one abstaining.

Listening to the doctors and nurses, DeFalco felt as if he was a spectator watching a Greek tragedy. The committee representatives left the boardroom. DeFalco remembered when the board had met in the old private dining room only two years before, voting to dismiss the previous administrator of 22 years, Phil Drew, because Drew allegedly hadn't kept up with the times, some doctors said he had sexually harassed several of the nurses, and the hospital wasn't doing well financially. Drew had been a good man, and Tony DeFalco had promised himself that he would do everything in his power to prevent this from happening again.

Wherry's Defense

"First I'd like to go through the state of the hospital, as it was when I got here," Wherry began nervously. And yet DeFalco thought Wherry seemed perfectly assured of himself, confident in the rightness of his cause. That was probably one of the things the doctors held against him—besides, Don had attended Princeton undergraduate and Harvard Business School, and had worked for a government regulatory agency in hospital cost containment before taking the Brendan job.

Wherry: There was bad leadership in the nursing department and in several other departments, a lack of medical staff leadership, and few competent department heads. Nursing is a difficult occupation. Morale is always a problem in this department. These are young people with children; they are working evenings, nights, and weekends; and the work is physically, emotionally, and administratively demanding. The

doctors at this hospital are like doctors in other hospitals like Brendan, fearful of anything that threatens to affect their livelihood or freedom. I can understand that. But there is a small, embittered group with axes to grind against me. [For a list of 1978 Brendan Hospital goals and accomplishments, see Appendix 14.2. For 1979 Brendan Hospital goals, see Appendix 14.3]

I have been busy with the finances of the hospital and in improving external relationships with the Hispanics, state officials, and other groups. Mel Queen, the associate administrator, has been busy with the new construction and the move into our new \$5 million wing. We've had a new director of nursing on board for five weeks now, and I wish that everyone would have just given her a chance. Dr. Burns' resignation as president of the medical staff didn't help me any, and I have had a director of personnel, Gonzales, with acute personal problems, which has been a problem for me, too. Next, it's quite unusual for someone to have to defend himself on the spot to a list of specific charges that I have been waiting for these past 13 days and just now have been made aware of. I think the way this whole thing has been handled by the doctor and nurse ringleaders is disgraceful. The charges they have made are largely not true and could not be proven even if they were true. Even if the charges are true to a substantial extent, there is still not sufficient reason for your discharging me, certainly not suddenly as they are demanding you to.

The doctors are out to get me because I'm doing the job you've been paying me to do, what I'm evaluated on, and for which I received a very good evaluation and a big raise at the end of last year, presumably because I was doing a good job. (For Wherry's evaluation, see Appendix 14.4; for DeFalco's raise letter, see Appendix 14.5.) Certainly none of you have told me to stop doing what I have been doing to assure quality, contain costs, and improve service. During the past year I gathered information for the medical staff on a new reappointment worksheet so that reappointments aren't made on a rubber stamp process every two years. I pointed out the problems that the low inpatient census in pediatrics would create in retaining the beds in the years to come. I obtained model rules and regulations for the medical staff and shared these with the president, Dr. Black. I questioned the effectiveness of the tissue committee, which hasn't been meeting, and when it has met,

whose minutes are perfunctory. I questioned the performance of the audit committee after our delegated status under PSRO was placed in question by a visiting physician, Dr. Lordi. I suggested we explore mandated physician donations to the hospital, as was passed and implemented two years ago by another East State hospital. When patients made complaints about doctors I took these up with the respective chiefs of departments. I investigated the assertion by a lab technician that tests were being reported and not done by the laboratory. I questioned and had to renegotiate remuneration of pathologists and radiologists, all with knowledge of the president of the board, Mr. DeFalco, and I have done nothing without involving the medical executive committee.

I have been involved in the lengthy and frustrating process of getting support from other hospitals for a CT scanner and in justifying financial feasibility of the CT scanner at this hospital. I have suggested ways to recruit needed physicians into Lockhart and have shared with the staff other approaches used by East State hospitals, such as a guaranteed income for the first year. I followed up a trustee's question about the appropriateness of fetal monitoring with the chief of obstetrics and gynecology, and worked out a satisfactory response to poor ophthalmology coverage in the emergency room with the chief of ophthalmology. I became involved in trying to convince one of our three pathologists not to resign because of a run-in with the chief of pathology. I have to get after physicians who do not indicate final diagnosis or complete their charts on time, because this delays needed cash flow for the hospital. I suggested that the hospital develop a model program for providing day hospital and other care to the elderly and chronically ill, and sought the cooperation of State University in designing a research protocol to measure the need for such services. This action was resented by several members of the staff, although we have not gone ahead with the State research program pending staff approval, or, if they disapprove, I said we would not go ahead with it.

I initiated a study of how we can prevent malpractice at the hospital, conveyed board disapproval of radiology equipment, which we had scheduled to buy but couldn't afford because other radiology equipment broke down in an unforeseen way. There are several very difficult physicians on the medical executive committee who have never gotten along with any administrator or with other physicians. I am the one who

has to discuss with the surgeons and the radiologists ways to decrease costs in their units when these costs are way above the state medians and we have to reduce them or face financial penalties.

As far as nursing goes, here is a list of what I have done: I have met with all shifts, with head nurses, with supervisors, and regularly with the director and assistant directors. I hired a new director and fired an old assistant director whom the nurses said showed favoritism, lied to them, and overpromised. This was opposed, by the way, by Dr. Fanchini, former director of obstetrics and gynecology. I hired an expert nursing consultant to help us develop appropriate goals and ways of meeting these goals. I was in the process of obtaining the services of an operations research consultant, at no cost to the hospital, to help us with our scheduling problems. We implemented a study done by an administrative resident on improved staffing and scheduling. I pointed out all the problems of authoritarian leadership, lack of adequate quality assurance programs, and lack of appropriate scheduling and budgeting to the previous nursing director, which is why she had to be demoted. Mrs. Shaw always tried to do her best, but she lacked the proper education and skills. I obtained 15 additional approved nursing positions, including one additional full-time RN in inservice and an additional \$80,000 for inservice, from the state rate-setters, something that no one has been able to do at this hospital for the past eight years. Our expenditures in nursing are already above the state median. I obtained a staffing plan from another hospital for the director of nursing and influenced her to distribute a questionnaire to all nurses to better find out their feelings and ideas.

I could go through each of the charges made by the people assembled here, but it won't really prove anything. Yes, I did call a doctor a . . . in my office. Yes, I did leave the hospital after the bomb scare before the police came, but only after I was convinced that it was a scare. I had a meeting to go to in Urban City, and I called one hour later to see that everything was all right. I think it is significant that none of the department heads supposedly humiliated by me showed up at this meeting. You have asked me to resign, but I'm not going to resign. That would not solve the hospital's problems. Firing me will not solve the bad nursing morale here or the doctor distrust. It will show the doctors and nurses and the community who runs this hospital. Is it the board of

trustees or some doctors and nurses (the nurses are mainly being used by the doctors)? Whose head will these doctors be asking for the next time they want to get rid of somebody? The bond issue set for next month that could refinance our debt on the new wing will not go through if you fire me. And we shall have a \$355,000 payment to make in August which will be difficult to meet.

“Does anybody have any questions?” DeFalco asked the other trustees. There were a few questions, but nothing significant, no major contradictions of anything Wherry had said. A vote was taken to clear Wherry of the charges without rebuttal, and this passed 7 in favor, 5 against, with 4 abstentions. Then the trustees asked Wherry to leave the room and told him that they would make a decision.

That evening, after dinner with his wife and teenagers, DeFalco watched a baseball game on television. He couldn't get his mind off that Wednesday night board meeting, the vote 10 to 6 against Wherry, and the ultimate unanimous vote to dismiss him with two months' severance. During the previous week, DeFalco had made it his business to discuss the Don Wherry situation with the other 16 trustees (Wherry and he made 18). As best as he could recollect, the following was the essence of their comments to him.

Board Comments

Clock (age 55, life insurance salesman, first vice president of the board, former mayor, and DeFalco's long-time confidant): I have been one of Don Wherry's strongest supporters since he got here and before he got here. I was a member of the search committee that selected Don, as you remember. I still like Don personally, really I do, but it has become obvious to me, at least, that Don can no longer manage the hospital. Whether Don is right or wrong, the docs don't like him. (Wherry told DeFalco that Clock sold a lot of life insurance to a lot of doctors.) Don's biggest mistakes have been in not firing Mel Queen, the associate administrator, who never has supported him properly, and Winnie Shaw, the ex-director of nursing whom he should never have kept around and I told him so.

Gotthuld (age 50, second vice president of the hospital board, president of the board of Preston College, and wife of a beer distributor): I

have been spending one or two weeks out of every month in Vermont, you know, George, where we bought a distributorship, and last year Sam and I spent six months on a luxury liner trip around the world. So I really don't know what's going on that well. As chairman of the executive committee, we gave Don a good evaluation and if he isn't acting properly as chief executive officer, then at least part of the fault is ours. I see no reason to fire Don abruptly because of these alleged charges.

Lance (age 45, president of a local lumber company, treasurer of the hospital, and chairman of the buildings and grounds committee): I have always been one of Don Wherry's closest friends, although he may not admit it now. I think Don could do an excellent job managing a university hospital, but that he definitely cannot do the job here at Brendan and that we should get rid of him now. Don might care more than anyone else, certainly more than I do, about the welfare of the hospital employees, but Don just hasn't communicated that to them.

Gonce (65 years old, RN, secretary of the hospital, recently returned for the board meeting from University Hospital in Urban City where she was recovering from a heart attack): Tony, you know I fought bitterly against Don Wherry's coming to Brendan in the first place, voted then for Mel Queen, the associate administrator to do the job, and I vote for him now to do a better job than Don Wherry. Don should be working for the government somewhere, not in a small town. Mel Queen will make an excellent administrator of Brendan Hospital. We should have given it to him in the first place.

Giancarlo (age 60, president of a local canning firm, newly elected to the board in January): I don't know much about the facts of the situation, Tony; I like Don Wherry personally, but obviously the doctors and many of the employees are unhappy with him. They must be listened to. It doesn't seem that anything they are complaining about is new or isolated.

Gonzales (age 40, secondary school teacher, was one of Don Wherry's strongest supporters): I see what Don has done to meet with all the Hispanic leaders without any crisis, to hear out our problems and respond to us. Don has reorganized and improved services in the emergency room, hired a Spanish-speaking social work assistant, increased the number of minority supervisors. I am not that impressed, really, by these charges. There's no meat to them. I think this is just a

bunch of doctors trying to get rid of Don as they got rid of Mr. Drew, the last CEO, and I do not think the board should bow down to them this time.

Peppino (age 34, senior bank vice president): Knowing Don Wherry as I do, I can understand a lot of the charges and sympathize with those making the complaints. Don Wherry is cold and authoritative, and if he knows so much, maybe that isn't what the job needs anyway. Mel Queen can run the hospital perfectly well, I'm convinced of that. And if the doctors are going to stop admitting patients as they threaten to do, they must feel very strongly about Don Wherry. It's important to calm the doctors down and get on with business as usual, and the sooner the better. Don Wherry will have no problem finding a job somewhere else. Maybe he was going to leave Lockhart anyway after a few more years.

Black (age 45, president of the medical staff): We have to get rid of this guy. He's nothing but trouble. I tried to work with him, but the guys don't like him. Maybe it's because he went to Princeton or something. He gives the guys this feeling that he feels superior to us. He's the big time administrator and we're the lowly doctors. We'd much prefer Mel Queen running the hospital. We don't have to put up with this Wherry guy, and now's the time to get rid of him.

Romano (age 50, president of a lumber company, newly elected to the board in January): I feel the way Lew Giancarlo does. I never thought being elected to this board would involve all these problems, and I'm certainly spending more time on this darn hospital than I would like to be spending. It's a tough thing for this Wherry guy. I like Don personally, but I really think we're going to have more problems with him than without him.

Levine (age 45, attorney, newly elected to the board in January): I think this is disgraceful what we're doing to Don. I don't like the way the whole thing was done, even if Don has made mistakes. You don't treat an employee this way, certainly not the chief executive officer. But I don't think that Don has handled it right, either. He should have gone to the mass meeting and defended himself. He should have organized people to speak on his behalf. That's the advice I would have given Don as a lawyer. And I think it's a darn shame this has to happen. It doesn't have to happen really, if someone would only stand up and fight for Don and his cause. I'm doing the best that I can, but I've only been on the board a short time, and I feel I'm therefore limited in what I can do

Morrissey (age 47, housewife): Don and his wife Sue are personal friends of mine, but I can't let that get in the way of making the right decision for the hospital. Don is certainly a brilliant guy who cares about people and doesn't want to see the patient or the consumer taken advantage of. He wants to do all the right things and he has done a lot of the right things. The hospital is a safer, warmer, financially more sound place than it was when Don took over. I'm certainly going to vote for Don. I'm sorry, but I don't feel I know enough to be really energetic about this.

Viggiani (age 60, owner of a large real estate firm and chairman of the county Democratic Party): I think it's a terrible thing what they're doing to Don. It's just like with the other guy, Phil Drew. This guy has always been there when we needed him. He works night and day. If anything's the matter, then it must be our fault because this guy has been doing what we've been telling him to do. He hasn't done anything without telling the doctors and us first. I think it's a disgrace.

Asselta (age 70, general practitioner): The staff just doesn't like him. I like Don Wherry. I know he's been trying to do the right thing. I've tried to help Don, after I made sure of him, every way I can. You know my wife has been very sick and I haven't been able to attend to hospital affairs lately as I would like. I guess I'll go along with the majority, either way.

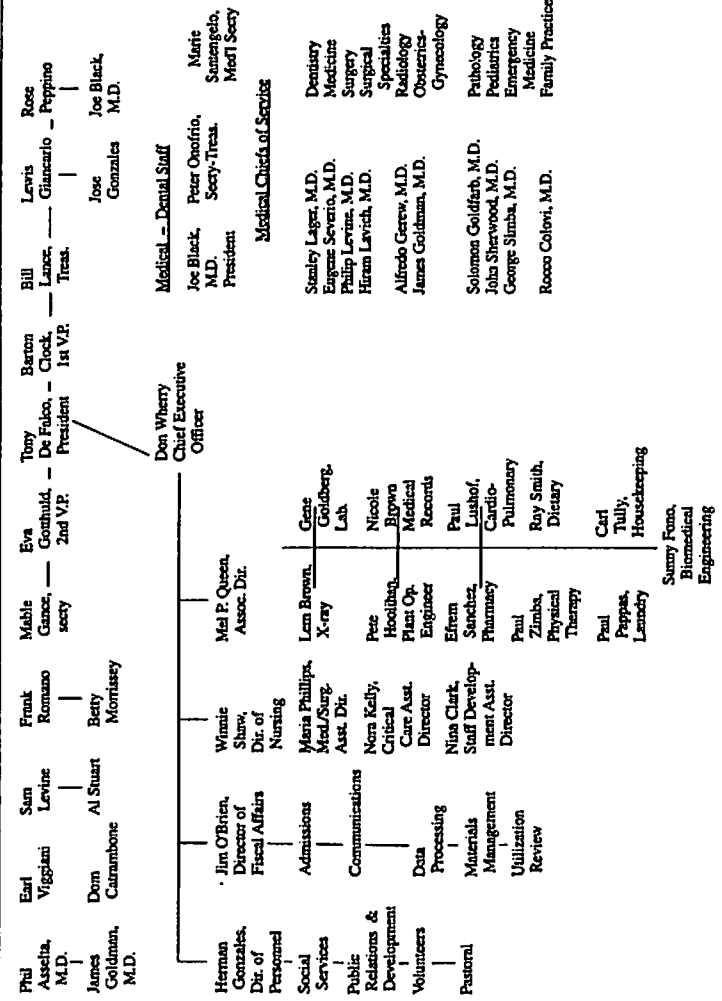
Goldman (age 61, chief of ob-gyn, newly elected to the board in January): I don't think the man knows how to manage the hospital, asking the employees to come up with the solutions to their own problems. That's bad management. Our group is against him.

Catrambone (age 50, director of a large funeral home): Tony, I'm only sorry I won't be at the meeting to speak for Don. There's a right and a wrong, and I can tell the difference. Ask yourself who is right and who is wrong and you've got to vote for Don Wherry. I happen to think he's a pretty fair manager to boot. I wish you would count my vote. Since my open heart surgery, I've got to be in Rochester, Minnesota, for my annual heart examination.

Stuart (age 41, senior vice president of the same bank of which Mrs. Peppino is assistant vice president.) [Don Wherry had told DeFalco that Stuart and Peppino were against him because he gave all the bank business per finance committee recommendation to ...]

I don't like Don Wherry. I never have. I served with him on the personnel committee and we were usually in disagreement. Don always made me feel somehow that I was ignorant, that he felt himself superior to me. This is not how he should have acted. And I'm sure a lot of the employees feel the same way about Don that I do.

APPENDIX 14.1
Brendan Hospital Organizations Chart, Board of Trustees



APPENDIX 14.2
Brendan Hospital 1978 Goals and
Accomplishments from 1978 Annual Report

1978 Goals	1978 Accomplishments
1. Stabilize hospital finances	<ul style="list-style-type: none"> • \$75,000 surplus • Improved Medicaid and Blue Cross reimbursement • Expenditures reduced in line with lower than expected occupancy
2. Increased fundraising	<ul style="list-style-type: none"> • Modernization fund pledges on target • Successful first annual horse show
3. Improve hospital morale	<ul style="list-style-type: none"> • Regular employee-administration meetings • Regular publication of <i>Brendan News</i>
4. Improve quality of nursing care	<ul style="list-style-type: none"> • High patient evaluations in survey • New director of nursing recruited
5. Organize department of emergency medicine	<ul style="list-style-type: none"> • Department organized and Dr. George Simba recruited as chief
6. Establish effective management information and control system	<ul style="list-style-type: none"> • Implemented auditors' recommendation • Evaluating new data processing alternatives
7. Increase communication with Spanish-speaking community	<ul style="list-style-type: none"> • Several meetings held with Hispanic leaders • Increased Hispanic staff in patient areas, including social services
8. Increased accountability of medical departments for quality assurance	<ul style="list-style-type: none"> • Board resolution requiring annual reports • Joint conference committee and trustee seminar for better communication between medical staff and trustees
9. Increased community participation in long-range planning	<ul style="list-style-type: none"> • Four community members added to long-range planning committee • Wide distribution of annual report with attendance encouraged at annual meeting
10. On schedule, on budget, fully accredited new wing	<ul style="list-style-type: none"> • New wing scheduled to open in April 1979 • Building is roughly within budget and on schedule

APPENDIX 14.3
1979 Brendan Hospital Goals (from 1978 Annual Report)

1. Stabilize hospital finances and improve cash flow
2. Improve board-administration-medical staff communication
3. Increase hospital involvement of Spanish-speaking community
4. Fill administrative vacancies and recruit needed medical staff
5. Increase pediatric and obstetrical inpatient occupancy
6. Accomplish complete availability of new wing by April and obtain full hospital accreditation
7. Establish quality assurance programs for all professional departments
8. Establish productivity and efficiency goals for all hospital departments
9. Develop an operational long-range plan, including time and dollar estimates for new programs
10. Continue to contain increases in hospital costs

APPENDIX 14.4
Summary of CEO Evaluation (November 25, 1978)

	Rating 1-5 (1 is high, 5 is low)	
	Self	Avg. Trustee
I. Goal Achievement		
1. Stabilize hospital finance	1	2.7
2. Increase fundraising	3	3.6
3. Improve hospital morale	3	4.9
4. Improve quality of nursing care	1	3.7
5. Organize emergency room department	1	2.9
6. Establish an effective management information and control system	2	2.1
7. Maintain on-schedule, on-budget west wing building program	3	2.3
8. Establish plan for utilization of west wing and integration with total hospital operations	3	2.1
9. Increase communications with the growing Spanish-speaking community	1	3.1
10. Increase accountability of medical departments for quality assurance	1	3.1
11. Prepare to obtain three-year hospital accreditation upon completion of west wing	3	1.9
12. Increase community participation in hospital long-range planning	1	2.2
CEO Remarks:		
1. CEO is goal-oriented.		

2. He needs to spend yet more time developing consensus and persuading key stakeholders and earning their respect.

Trustee Remarks:

1. Many of these "specifics" are difficult for an outside director to judge.
2. I think CEO's contributions are acceptable except in items 3 and 4, where they should have been significantly greater.
3. Morale is a question.
4. CEO is doing a fine job for Brendan.
5. CEO's capability is great for achieving all goals. Sometimes his motives are not understood, and some obstacles are not of his doing.
6. The answers to some of these questions are based more on perceptions than actual knowledge.

President's Remarks:

I agree that the CEO is goal-oriented. He has attained goals we have given him about as well as anyone could reasonably expect.

II. System Maintenance

2 3.5

CEO Remarks

1. Given what the CEO was hired to do, a certain amount of distrust is inevitable.
2. The CEO tries dilligently to establish regular and continuing dialogue with all key hospital groups and individuals.

Trustee Remarks:

1. Greatest weaknesses in this category are in maintaining adequate commitment of employees to organizational goals and developing adequate trust between management and medical staff.
2. The board is not made aware of exactly the number of employees needed and the department that has this need. There seems to be a feeling of unrest among the administrative staff (department heads). Trust between management and medical staff is currently very poor.
3. CEO's capabilities are limitless, but I feel he has developed a schism between himself and the medical staff.
4. Small areas of difference need to be cleared by better communication and understanding of mutual problems. Main problem area is with doctor contracts.
5. I suspect that the only positive factor in the above list would be "maintaining adequate administrative and control systems."

President's Remarks:

1. Our "hospital system" has undoubtedly provided sufficient patient care of adequate quality at reasonable cost. I therefore believe the trustee evaluation to be too low in this area.
2. A mistrust of the administration by the medical staff does exist. I am also apprehensive about the "team play" of the administrative staff. We must address these problems in 1979.

III. Relationships with Important External Publics

1 2.1

CEO Remarks:

The hospital had done well with licensing, regulatory, and reimbursement agencies, and with other provider agencies during 1978. The CEO speaks frequently to consumer organizations and volunteer groups as well and has been well-received.

Trustee Remarks:

1. The CEO had done an especially good job with third-party payers.
2. This is definitely the CEO's strongest area.
3. Excellent record.

President's remarks:

I am pleased with the CEO's accomplishments in this area.

IV. Management Roles

- | | | |
|------------------|---|-----|
| 1. Interpersonal | 3 | 3.6 |
| 2. Informational | 1 | 2.4 |
| 3. Decisional | 1 | 2.8 |

CEO's Remarks:

The CEO is intelligent and quick. He works long hours and is subject to constant pressures. He cannot possibly talk at length continuously with 18 trustees, 40 key doctors, 20 department heads, and other key personnel outside the hospital. He must try harder to be cheerful, quiet, friendly, and low-key.

Trustee Remarks:

1. I think the CEO has done a good job in 1978, especially in view of what he walked into.
2. The CEO has weakness in providing motivation, also in recognizing disturbances of uneasiness within the hospital personnel, and in dealing with incompetent or unproductive personnel.
3. The CEO seems to be seeking many changes. His method for achieving this isn't always productive. The CEO has great potential but doesn't seem to implement it well.

4. I'm not too sure if CEO is handling personnel adequately. Morale has not improved within the hospital.
5. The CEO has done and is doing an outstanding job. I am proud to work with him and would give him even higher marks if possible.
6. The CEO is excellent on a one-to-one basis. He handles groups well. He is anxious to please and to get cooperation.

President's Remarks:

1. Changes in staff personnel in 1978 have hampered the efficiency and effectiveness of this group. When stability of this group occurs, provided the right group has been chosen, improvement in hospital management will be most evident.
2. The dissemination of information is exceptional.
3. I have confidence in the decisions that are being made. I am not sure about their method of implementation.

V. President's Summary:

1. Areas of evaluation:

The CEO has exceeded my expectations. In sum total, I am extremely pleased with his accomplishments.

2. Strengths:

Planning, establishing priorities, dealing with regulatory agencies, understanding and articulating hospital organization, financial management, intelligence, creativity, ability to negotiate, potential, sincerity, and directness.

3. Weakness:

Impatience and aloofness (coldness).

4. Uncertainties:

Evaluation of personnel, evaluation of situations, employee motivation, and nonpeer and subordinate relationships.

5. Recommendations:

Attempt to gain trust and respect of medical staff.

Improve trust and respect of employees in presence of others.

Refrain from reprimanding employees in presence of others.

Work toward having assistant responsible for day-to-day operation of hospital.

Continue to attempt to improve morale.

Improve patience; realize that few people can match intelligence quotient.

Continue to develop administrative staff.

6. Conclusion:

The CEO has performed well in 1978. He has acceptably attained his goals. As a new manager, he has been severely tested by the board of trustees, medical staff, and employees and has withstood their challenge. I believe his inherent intelligence will allow him to correct any and all identifiable deficiencies.

The CEO's self-evaluation was extremely accurate. It is comforting to know that he has the ability to correctly assess his strengths and weaknesses.

The following elements will be necessary for his continued success:

1. Constructive advice and support by board of trustees.
2. Trust of medical staff.
3. Melding of administrative staff into stable, competent, and qualified team with common objectives.

APPENDIX 14.5

Letter from Tony DeFalco to Don Wherry on January 10, 1979

Personal and Confidential

Mr. Don Wherry
Brendan Hospital
Lockhart, East State

January 10, 1979

Dear Don,

The Board of Trustees of Brendan Hospital, on January 8, 1979 unanimously approved a 10 percent increase in your annual salary along with a \$500 increase in automobile allowance for 1979. The above increases will result in a per annum salary of \$57,750 and an automobile allowance of \$2,300. Your receipt of this letter provides you with the authority to make the stipulated adjustments effective January 1, 1979.

Our board believes that you have done an outstanding job as our chief executive officer and hopes that the above increases have fairly rewarded your effort.

Very truly yours,

Tony DeFalco, President
Brendan Hospital, Board of Trustees