

Reveal County Board Waste, Mismanagement at Hospital

In the decades that the Cook County Board controlled County Hospital, waste and mismanagement in the institution grew to such epidemic proportions that millions of tax dollars must now be spent to find a cure.

THE TRIBUNE TASK FORCE, working with the Better Government Association in an investigation of county government, obtained records showing that the hospital has already contracted for \$883,000 in professional studies alone to seek remedies for the ills caused by the board's inefficiency.

That amount equals the yearly tax payments of 1,460 average county property tax payers.

Budget Up \$15 Million

The hospital's new governing commission plans future expenditures, running into six figures, for further private consulting services. In addition, big increases in professional staffs are needed to modernize the archaic institution.

This year, for example, 135 employees will be added to the purchasing and pharmacy de-

partments at a cost of \$972,400 in salaries. These expenses partially account for the boost in the hospital's operating budget from \$111 million in 1971 to a proposed \$126 million this year.

However, the Task Force-B. G. A. investigators discovered that a budget increase this large could have been avoided if the hospital had been properly run by the County Board.

Almost two years ago, the board lost a fierce political battle and surrendered control

of the massive facility to the independent Health and Hospitals Governing Commission of Cook County.

The victory proved a bitter one for the commission. Its prize was a hospital that had been paralyzed by bureaucracy, graft, and patronage.

Supervision Was Lax

Unsupervised employees were working at jobs they were neither qualified for nor assigned to; drugs and supplies were being distributed in the manner of a country store; loose inventory controls were permitting wholesale thievery.

But defeat was equally bitter for the board, because it was forced to surrender hundreds of patronage jobs. The board's bitterness was evident during the November budget hearings when it conducted a two-day grilling of Dr. James G. Houghton, executive director of the commission, and Jack A. McClary, the commission's associate director of budget and finance.

Other county department heads were lightly questioned by the board's Finance Com-

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mittee, but Houghton and McClary were subjected to a real interrogation.

Dunne Leads Questioning

Altho he had been absent from the previous two weeks of hearings, the board's president, George W. Dunne, showed up to lead the cross-examination personally. Adding to the trial-like atmosphere was the presence of a court reporter, brought in to transcribe the proceedings, a step not taken when other department heads were questioned.

These extraordinary measures indicated that the board hoped to build a case to prove that the commission was failing to do a better job of managing the hospital.

But the tactic backfired, and succeeded in proving only how bad a job the board had done.

Left in "State of Chaos"

In his testimony, Houghton explained that the hospital purchasing staff had to be increased from 21 to 38, at a cost of \$76,000 in salaries, because the board had left the purchasing department in a state of chaos.

"We've had to centralize purchasing, and to do that you need people," Houghton said. "We had to centralize warehousing and rationalize this monster."

Reporters learned that part of that "monster" was the stack of inflated contracts which the County Board had signed for various services. The commission has renegotiated dozens of those agreements, at considerable savings.

The commission expect to save \$1 million by renegotiating one contract involving the rental of X-ray equipment.

\$70,000 in Drugs Stolen

According to one hospital official, the commission inherited a purchasing system that was being run like a grocery store, and had to spend \$47,000 to computerize the department, and stop wholesale looting. He

said records indicated that \$70,000 in drugs was stolen in 1969.

An additional \$30,000 is being paid to a Baltimore consulting firm to complete the job of bringing the purchasing department up to date.

Pharmacy Staff Low

The official told Task Force reporters that the hospital pharmacy was a "complete mess." More than 10,000 items were being purchased every week without a method of accounting for them. Drugs and medicines vital to the health of patients were constantly in short supply, and other pharmaceutical items were being reordered on whim.

During the budget hearings, Houghton told the board that the hospital needs to increase its pharmacy staff from 50 to 168 employees so storage and dispensing of drugs could be controlled. The staff increase represents additional salaries of \$896,400.

When the hospital was under County Board control, Houghton said, prescriptions were being filled by unqualified nurses, who then dispensed them without keeping any records.

The purchasing and pharmacy departments were only two of the managerial Frankensteins created during the County Board's reign. Another was its personnel system.

Houghton said that when he took over, he found administrative assistants working as secretaries, ward clerks not doing the work of ward clerks, supervisors with no one to supervise, and physicians who were failing to perform their assignments.

The Poor Suffered

The problem was especially severe in the Fantus Clinic, a facility serving low-income outpatients thruout the county. As a result of the sloppy personnel procedures, the clinic frequently failed to deliver essential medical services to the poor. Taxpayers are now being

asked to foot the bill for a \$250,000 professional study designed to overhaul the creaking system.

This is what the study, conducted by University Research Corp., discovered when it began its investigation in July:

- A total of 675 employees were working at the clinic, but only 575 were assigned there.

- The 60 job titles covering these employees were so inaccurate that one supervising nurse was working in 13 different clinical specialties.

- Five departments failed to deliver medical services for the month of July.

- Altho 121 attending physicians were assigned to the clinic, only 74 actually delivered services.

- Supervision was almost nonexistent. The clinic director did not maintain daily, weekly, and monthly schedules for attending physicians and did not even know the identity of the attending physician in the general medicine division.

Run Like Feudal Fiefdom

In an interview, Houghton explained that the absence of middle management was the most crucial flaw in the personnel system. Under the County Board, the hospital was run like a feudal fiefdom, with hordes of patronage serfs at the bottom, a small clique of political barons at the top, and no middle-level managers in between.

"We had no supervisors," Houghton told reporters. "When I came here, we could not even identify who our supervisors were."

"Paperwork never got done because we did not have the middle management to follow up on the little bits and pieces."

Much Remains to be Done

Among the bits and pieces that went overlooked were \$3 million in unpaid bills, including \$125,000 in duplicate billings and overshipments, which the commission had to pay after it assumed control.

While the commission has



(TRIBUNE Staff Photo)

Despite staff of 75 guards, security at County Hospital is lax. While guards chat, man walks unchallenged thru the main entrance.

begun reforms in areas relating directly to patient services, it has not, so far, examined the bricks and mortar aspects of the hospital's operation.

It is in this area that wasteful policies followed by the County Board still endure, bleeding the institution of funds needed in its medical divisions.

In the hospital heating plant, 82 patronage employees draw salaries exceeding \$1 million to heat the hospital, which has 2 million square feet. Hines Veterans Hospital, with 1,650,000 square feet, employs a heating staff of 6 and pays them only \$76,000.

"If that's true, we're going to do something about it," Houghton said, when reporters told him about the overstaffing. "We are going step by step. Right now, I'm more concerned about having a good medical program than I am concerned about whether you feel we are overstaffed in heating."

The governing commission continues the expensive privi-

leges two men had been granted by the County Board. Fred Hertwig and Laurence Hickey are paid combined salaries of \$45,000 a year to supervise mechanical emergencies at the hospital.

2 Families Live Free

The two men and their families have also been provided with rent-free apartments on hospital grounds and with free utilities and meals, as well as free maid service.

Saul Carb, hospital administrator, said Hertwig and Hickey have been given these benefits because "somebody of authority should be around in case something should happen." That could mean anything from a leaky pipe to a full-scale emergency, Carb said.

However, THE TRIBUNE and B. G. A. learned that the hospital employs an around-the-clock staff of operating engineers, each earning \$14,000 a year, to do the same job.

When asked to explain this double staffing, Carb replied, "We inherited it."

Investigators found that despite its large janitorial staff,

the hospital is not kept clean, and altho 20 guards have been added to the security detail, anyone can stroll thru the institution unchallenged.

A Task Force reporter and a B. G. A. investigator recently found trash piled in the hallway near the sixth floor elevators and the floor littered with cigaret butts. In one part of the hallway, traffic was routed one-way around a mound of dirty laundry scattered on the floor.

Wandered Unchallenged

In the basement, they discovered a pile of garbage more than 5 feet high and 10 feet long stacked in a corner within a few feet of a row of empty garbage cans. A men's washroom was filthy with trash, dirt, and urine-soaker floors.

Last year, the security staff was beefed up from 56 to 73 guards. Nevertheless, the investigators were able to walk unchallenged into the maternity ward and into a linen room where they found the attendant asleep. On the fourth floor, a reporter entered an unguarded laboratory and rummaged thru

a shelf of drugs and medicines. Earlier in the investigation, a reporter and William Recktenwald, chief investigator for the B. G. A., roamed the hospital at will by posing as workmen.

Even tho they were not dressed in hospital uniforms and did not display the identification tags worn by hospital personnel, they strolled past six guards who were chatting at the main entrance.

No Suspicious Glances

Without drawing so much as a suspicious glance, the two men walked thru the first floor, the kitchen, the wards on the 4th and 6th floors, and the Fantus Clinic.

Security was so lax that they were able to enter the 8th

floor, where operating rooms are located and potentially dangerous oxygen equipment is stored.

The investigators' assumed identities worked well. In the old Fantus Clinic, a secretary asked if they could fix a door.

"You must be from the carpentry department," she said. "We've been waiting a week for you to come."

Tomorrow: How and why county government subverts civil service laws.