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The Allentown Hospital's Modernization Program

**“ . . . a sound plan for the continued
well-being of our community.”**

Since 1899, The Allentown Hospital has been a key to the quality of health care available to people in the greater Allentown area. The community's first general hospital, it has not only provided patient care, but also trained hundreds of physicians through its internship and residency programs, and graduated additional hundreds of Registered Nurses from its School of Nursing.

Over the years, the hospital has been able to meet both the demands of population growth and the rapid advances in medical technology through careful planning and judicious management by its all-volunteer governing board, paid administrative personnel and professional staff. Even a cursory review of the hospital's history, its growth and the expansion of its services will reveal that the welfare of the community has always been central to its plans and programs.

Now, The Allentown Hospital once again finds it necessary to respond to a community need . . . that is, the need for continued availability of health and hospital care of the highest quality at the most reasonable cost.

For that reason alone, The Allentown Hospital will once again apply to the Health Systems Council for approval of a much-needed modernization program by that federally-mandated body.

Because the plan is so important to the future well-being of our community, The Allentown Hospital has compiled this factual analysis of the plan and published it in question/answer form. We sincerely believe that a well-informed community will understand the practical necessity of upgrading The Allentown Hospital's physical facilities to contemporary standards for the maintenance of high-quality hospital care . . . and support the hospital in its ongoing effort to plan with and for the best interests of the community we are committed to serve.

Please read these questions and answers. If you require additional information, please call The Allentown Hospital at 821-2204. We want you to know what we are doing . . . for you.

- Q. Is The Allentown Hospital expanding its facility at 17th and Chew Streets or renovating the hospital's physical plant?
- A. *The proposal submitted to the Health System Council is for modernization and renovation only. The program will substantially reduce the hospital's size, in terms of both beds and square footage. It calls for 98,400 sq. ft. of renovation and 41,130 sq. ft. of new construction. The new construction is necessary to achieve the reduction in size and to reduce the cost of operation, while at the same time, meeting the current demand for patient service and improving the quality of that service.*
- Q. Specifically, what does the new construction provide?
- A. *New construction includes a six-story addition to the Schaeffer Wing; a modern emergency room; and three 35-bed nursing units on top of the Trexler Service Wing.*
- Q. What will renovation accomplish for the hospital and its patients?
- A. *The present East Wing, built in 1914, is hopelessly outdated and unsuitable as a patient service area. The proposed plan calls for its complete evacuation, except for the ground floor. The plan will allow for the relocation of existing service areas to alleviate present crowding in the lobby, pharmacy, outpatient clinics, etc.; consolidation of in-patient nursing units on three medical-surgical floors; a new 35-bed obstetrical unit; and a new labor and delivery room with nurseries.*
- Q. Are these modifications necessary?
- A. *Not only are they necessary for improving the efficiency of hospital operations, for the most part they are required in order for the hospital to meet the regulations of the U. S. Department of Health, Education and Welfare and the Joint Committee for Hospital Accreditation. As far back as*

1975, both HEW and JCAH cited The Allentown Hospital for extensive violation of Life Safety Code regulations.

Q. What has the hospital done to correct these violations?

A. A year ago, The Allentown Hospital proposed a full-scale plan to meet these requirements. Although that plan was approved by the HSC's board of directors, it was opposed by HSC staff because of its projected total project cost of \$26 million. In the community interest, the hospital withdrew its application and began to scale down its plans to the present levels. Meanwhile, the hospital was notified by Pennsylvania's Department of Labor and Industry to comply with the Life Safety Code requirements. Compliance will cost more than \$1.2 million. To date, the hospital has expended more than \$400,000 toward that end. The remaining corrections are incorporated in the current modernization plan.

Q. How much will these renovations cost?

A. Hospital Building and Equipment Company of St. Louis, Mo. was engaged as consultant to the hospital. Their proposal for modernization and renovation to meet the requirements stated above totals \$8.6 million. This is approximately half the capital cost objected to last year by the HSC staff.

Q. Are these renovations necessary?

A. Absolutely. Certain sections of the hospital are hopelessly outdated. Certain departments, like Pharmacy, are completely inadequate in space allocation. Many patient units have inadequate toilet and shower facilities. One unit, for example, has only one toilet for 18 male and female patients. A review of comments obtained from patients through the hospital's Patient Representative Program reveals the lack of these facilities as the one complaint most frequently registered.

The new proposal will equip 154 beds with shower and toilet and 94 beds with toilet facilities.

Q. In the past, HSC has set forth guidelines that state there are an excess number of hospital beds in the community. How will The Allentown Hospital's proposal affect the bed situation?

A. *HSC states there are 75 excess beds in the community. The Allentown Hospital, in cooperation with HSC, has addressed this problem. Our proposal calls for the elimination of 46 beds. This would be accomplished by reducing The Allentown Hospital's pediatric beds from 42 to 35, its obstetrical beds from 37 to 35, and a proposal to transfer 37 psychiatric beds from The Allentown Hospital to the Allentown and Sacred Heart Hospital Center (A&SHHC), thus eliminating 41 medical-surgical beds from the excess in the community.*

Q. What will be the impact of this modernization program on hospital costs?

A. *It will result in overall operational savings of \$500,000 per year in nursing alone. Greater economies are anticipated through further personnel efficiency. Current nursing units, for example, can service only 18-20 patients whereas the modernized nursing units will accommodate 35-40 patients. That kind of personnel efficiency translates into direct savings. The patient cost per day will decline as a result of the reduction in beds and the increased operational efficiencies. The cost reduction will offset capital and interest charges for the modernization program. Thus, the cost per patient day could very well remain the same, except perhaps for the effects of inflationary pressures.*

Q. What has The Allentown Hospital done to contain costs prior to its application for modernization?

A. *Actually, the hospital has been doing very well. The voluntary cost containment effort sponsored by the American Hospital Association calls for a reduction in the escalation of hospital costs by 2% per year. On the national level, the rate of increase was reduced to 12% for 1977-78 from 14% the previous year. The Allentown Hospital kept its own cost increase to a modest 5.4% in the face of spiralling inflation over the last half of calendar year 1978.*

Q. *Has The Allentown Hospital thoroughly explored the alternatives to this present plan for modernization?*

A. *Definitely. This proposal is, in itself, a compromise to the plan advanced just a year ago. It has been conclusively agreed upon as the least costly of several other alternatives. They are:*

a) *relocation of the hospital to a different site, which is prohibitive from the standpoint of capital cost requirements;*

b) *maintenance of the "status quo," a non-action which would be totally unacceptable to the community because it would be more costly and restrict improvement in the quality of care; and*

c) *the gradual erosion of The Allentown Hospital as a community resource in the delivery of health care, which is the least desirable alternative in view of the hospital's past history and present position of importance to the community.*

Q. *Is The Allentown Hospital's modernization program compatible with or in conflict with any prior, existing or proposed long-range community plan for the delivery of health care?*

A. *This plan is not only compatible with, but a vital part of the long-range plan agreed to by the community's hospitals in 1967, and reaffirmed by a Court Decree dated July 31, 1972, which simultaneously cleared the way for*

construction of the Allentown and Sacred Heart Hospital Center (ASH) and further charged the governing boards of Sacred Heart Hospital and The Allentown Hospital "to improve, update and refurbish all existing hospital facilities." Toward that end, The Allentown Hospital has already expended more than \$6 million for new operating rooms, an X-ray building, new clinics, laboratories and an intensive care unit.

Q. How does the new modernization proposal fit into these previously agreed-upon and paid-for plans?

A. *The current proposal represents the final step in The Allentown Hospital's long-range commitment to the community and to the other hospitals with which it entered into common agreement as a party to the Court Decree of 1972.*

Q. Is The Allentown Hospital presently co-operating with other community hospitals to improve the health-care delivery system?

A. *Yes, of course. The community's hospitals began planning together back in the late '60s. These long-range plans included the joint venture in which The Allentown Hospital and Sacred Heart Hospital agreed to build a new Hospital Center (A&SHHC), initiate modernization programs at all existing hospitals and allocate specialty services among the hospitals in order to eliminate or at least minimize duplication. The objective was and is to make the Allentown area a center of excellence in the delivery of health care. Toward that end, we are participating in the recently-formed Consortium which has been organized to improve cooperation and coordination among the community's hospitals.*

Q. Have the goals of the original long-range plan been met?

A. *Most of those goals have been met. A&SHHC is built and operating suc-*

cessfully, all of the participating hospitals have either completed or are well underway with their modernization programs, and the community has vastly expanded its capacity for the delivery of high-quality health care. The major objective remaining to be accomplished is completion of The Allentown Hospital's modernization program . . . and that can only be done with HSC's approval of the hospital's application.

Q. Finally, could the present services being provided by The Allentown Hospital practically be absorbed by the community's other hospitals?

A. *Definitely not, without vast additional expenditures for the expansion of the other hospitals' facilities. During 1978, for example, The Allentown Hospital's total of 69,252* patient days represented 25% of the total patient days recorded by the community's four hospitals. Allentown Hospital's 31,151 emergency room visits represented 29% of all emergency room visits to local hospitals. And our 15,271 clinic visits represent 24% of all the outpatient services rendered in the community.*

**This total includes medical, surgical, pediatric and obstetrical days only. It does not include psychiatry, ICU and CCU which amount to an additional 21,100 patient days.*

Therefore, it is abundantly clear that the community needs The Allentown Hospital . . . and The Allentown Hospital needs approval of its modernization program to fulfill its role in the community's health-care delivery system.

The Allentown Hospital Association
17th and Chew Streets
Allentown, PA 18104
Telephone: 821-2204