

The University of Michigan
SCHOOL OF PUBLIC HEALTH
Department of
Medical Care Organization



CELEBRATING

50 Years

Teaching Medical Care Organization

10 Years

On Job/On Campus Master's Program

1984

This brief history of the Department
was prepared by Professor Eugene Feingold
at the request of the MCO Alumni Association.
The Association extends its sincere appreciation
and thanks to Professor Feingold.

History of the Department

of

Medical Care Organization

History of the Department of Medical Care Organization

Nathan Sinai, a young veterinarian who was serving as health officer of Stockton, California, came to the University of Michigan in 1923 to pursue doctoral studies in the Division of Hygiene and Public Health. In 1924, he was appointed an Instructor on the faculty of the Division, and in 1926 he was awarded the Doctor of Public Health degree.

The Division's Director, Dr. John Sundwall, was a member of the Committee on the Costs of Medical Care, a self-constituted private organization of about fifty leading persons from many walks of life, supported by grants from eight foundations. He arranged a leave of absence for Sinai to join the Committee's research staff. The CCMC undertook a five-year program of studies (1927-32) resulting in 28 volumes which provided the factual basis for understanding the rapidly emerging problems of medical care. The Committee's basic study, The Incidence of Illness and the Receipt and Costs of Medical Care Among Representative Families, in the preparation of which Sinai played a key role, established the case for health insurance in the United States.

When Sinai returned to the University in 1933, he introduced several lectures on medical care organization and financing into the general public health administration course offered by Division of Hygiene and Public Health. Expanding these lectures and relying heavily on the findings of the CCMC, Sinai in 1934 offered a course on "The Social and Economic Aspects of Public Health and Medicine." This was the first such course offered in a University in this country and, as far as is known, the first anywhere in the

world. (Graduate education in public health at this time was concerned primarily with the work of the local health department and did not include medical care for the general public, which was regarded as the almost exclusive province of the private sector.)

In 1940, the Division of Hygiene and Public Health, which had been a unit within the University's Horace H. Rackham School of Graduate Studies, was established as a School of Public Health. Sinai's teaching continued in the Department of Public Health Practice, one of the School's three departments.

With support from the Rockefeller Foundation in the early 1940's, a Reference Collection was established, the teaching program was expanded, and research studies undertaken. Sinai described these early developments in medical care organization as "a new and vital blending of the medical and social sciences. The blend is public health economics."

Coming from the CCMC, whose final report had been characterized by some critics as "communism and socialism inciting to revolution," known as an advocate of voluntary health insurance at a time when such programs were not yet widely accepted, and having served as a technical adviser to then-Governor Earl Warren of California in his compulsory health insurance proposal for that state, Sinai was a very controversial figure. Sinai therefore invented the term "public health economics" to avert the additional controversy which might come from the use of the terms "social medicine" (which might be confused with "socialized medicine") or "medical care" (which might be seen by clinicians as invasion of their turf).

Organizational recognition was given to these related activities in 1945, when the University's Board of Regents established a Bureau of Public Health Economics to be

"maintained within the School of Public Health to promote and conduct research in the field of public health economics." The teaching activity in medical care organization remained in the Department of Public Health Practice, which was later renamed the Department of Community Health Services. Although the teaching in medical care was carried out within that department, it received financial support from the Bureau of Public Health Economics, and the Director of the Bureau served as head of the teaching programs. The teaching faculty had appointments in the Department as well as in the Bureau.

The Bureau, initially consisting of Sinai, a graduate student in sociology (Odin Anderson), and a reference librarian, gradually expanded, with Solomon J. Axelrod joining in 1949; Charles A. Metzner in 1951; Benjamin J. Darsky in 1954; and Kenneth Winter in 1955. In 1960, Dr. Sinai resigned as Director of the Bureau. Dr. Axelrod replaced him, and the Bureau continued to expand: Avedis Donabedian joined in 1960; Darwin Palmiere in 1961; Max Shain in 1962; and Jean Thorby (as Lecturer) in 1963.

There were two teaching programs in medical care, a master's Program in Medical Care Administration, which prepared students for administrative careers, and a PhD Program in Medical Care Organization, which was oriented towards preparation for research careers. The MPH program was supported by the US Public Health Service through a yearly award of Special Purpose Traineeships in Medical Care Administration, for student support, and a five-year Special Project Training Grant for faculty and supporting services. The PhD program likewise received Public Health Service support through a Research Training Grant, which included traineeships for students as well as funds for faculty and supportive services.

Although a doctoral program was on the books as early as 1948, only one student was enrolled and only one PhD degree was awarded up to 1956. In 1959, a limited program of graduate training for research in medical care was inaugurated as part of a five-year program of support from the Ford Foundation for research in the social and economic aspects of health care for the aging. This training program made research assistantships available for students in doctoral programs in the behavioral sciences and in the doctoral program in medical care organization. Beginning in 1964, the US Public Health Service supported the program with a research training grant that was renewed until these grants were phased out by the federal government.

During the next several years, the Bureau of Public Health Economics showed impressive growth in the size and scope of its teaching, research, and service activities. The teaching programs, each of which usually enrolled three or four students, substantially increased in size in 1963-64, when 13 students were enrolled in the master's program and 7 in the PhD program. Enrollment continued to grow thereafter.

Research activities carried on by Bureau staff were supported by the Public Health Service, the Michigan Department of Insurance, the Ford Foundation, the Social Security Administration, and the Pan-American Health Organization. Among the subjects studied were factors in consumer choice or rejection of group practice prepayment plans, utilization of health care under various circumstances, medical care activities of local health departments, socio-economic factors influencing care of the aged, nursing home costs and patient needs, and disability insurance.

The Bureau's service program included a series of institutes for administrators of public assistance medical care programs (foreshadowing Medicaid), of medical care in vocational rehabilitation programs, and of areawide planning. Its Medical Care Reference Collection, under the direction of Jack Tobias, was widely recognized as the most extensive specialized collection of materials on medical care organization and financing in this country. Its publications were well received: Public Health Economics, which provided a monthly digest of current events in medical care, was expanded to include reviews of the scientific literature in the field, and renamed Public Health Economics and Medical Care Abstracts. The Medical Care Chart Book, prepared by Drs. Axelrod and Donabedian to provide a graphic description and analysis of medical care phenomena, was adopted by other schools of public health for their teaching programs. Findings of departmental research were published in the Bureau's Research Series.

The increased size and importance of the teaching and research programs in medical care at the School of Public Health and the rapid growth of the field of medical care organization within public health more generally were recognized by the Regental creation of a Department of Medical Care Organization within the School in 1965. The Department was formed by merging the teaching Programs in Medical Care Administration and Medical Care Organization with the Bureau of Public Health Economics.

At that time, seven of the then-existing fourteen schools of public health had training programs in medical care administration. None, however, had as yet established a separate and distinct department. Rather, they offered courses or programs in medical care administration within larger departments

of public health practice or units concerned with both medical care and hospital administration. Michigan's Department of Medical Care Organization was thus the first such department and, at that time, the largest program of its kind in the country.

The new Department of Medical Care Organization rapidly expanded its activities and staff. At the time the Department was created, master's level training in medical care administration, and in public health more generally, consisted of a one-year program directed toward persons who were already professionally qualified in health care or related fields. In order to draw upon a new source of public health personnel, recent college graduates without professional qualifications, and to strengthen its program, in 1965-66 the Department inaugurated a two-year MPH program for such persons. The Department was thus simultaneously conducting a one-year master's program, a two-year master's program, and a PhD program. Research and service activities also continued, with the Department for several years conducting summer institutes in cooperation with the Medical Care Section of the American Public Health Association to provide an introduction to the field of medical care organization to faculty members from other universities' schools of medicine and public health. Public Health Economics and Medical Care Abstracts was renamed Medical Care Review. Eugene Feingold and Roy Penschansky joined the faculty in 1965, Rashid Bashshur (previously a member of the Bureau's research staff) in 1966, and Sylvester E. Berki in 1967.

In 1970, Dr. Axelrod resigned as department chair. During the 1970-71 academic year, administrative functions in the department were centered in a troika of Sylvester Berki, Charles Metzner and Darwin

Palmiere. In the fall of 1971, Professor Feingold returned from leave to take up the department chair.

That year, the increasing confluence of interest in health care administration on the part of several university departments and units resulted in the appointment of a Task Force on Health Services Administration by the Vice President for Academic Affairs. Following the Task Force's recommendations, a new degree, the Master of Health Services Administration, was created, with a two-year curriculum that was intended to provide students with preparation in biological aspects of health and disease, in health care organization, and in managerial approaches and techniques.

With the inauguration of the MSA program, the Department discouraged students with professional education and experience from opting for the shorter residential MPH program. Under the leadership of Professor Penschansky, the department in 1972 had inaugurated the On Job/On Campus program, which enabled students employed full-time as health care administrators to pursue the MPH curriculum on a non-residential basis. This program was the outgrowth of technical assistance provided by department staff to the neighborhood health centers that were established as one of the foci of the 1960's "War on Poverty", and emphasized administration of ambulatory care programs. Financial support for students and faculty was provided by the US Office of Economic Opportunity and the program was conducted with the cooperation of the National Association of Neighborhood Health Centers. With the passage of time and the loss of that sponsorship, this program has broadened its focus and has become the department's primary program for more experienced students. The On Job/On Campus

mode has also been adopted by the School of Public Health for programs in other subject areas.

In 1977, Professor Feingold resigned as department chair. He was replaced on an acting basis, initially for a year by Professor Penschansky, and then for another year by Professor Bashshur. On January 1, 1980, Professor Berki became department chair. During this period, the department expanded further. J. William Thomas was appointed to the faculty in 1977. Richard Lichtenstein and Leon Wyszewianski, who had played an important role in the Department's teaching programs for several years, completed their doctoral work and were appointed assistant professors in the department, in 1981 and 1980 respectively. Lawrence Brown and Catherine McLaughlin were appointed to the faculty in 1983. David Perlman, who had managed the Department's On Job/On Campus programs almost since their inception, was appointed to the faculty in 1984.

Lawrence Brown's appointment carried with it a link to the Department of Political Science, where he has a part-time appointment. Links with other organizations and university units were established and strengthened by appointing part-time faculty associated with the Medical School (David Bachrach, Terrence Davies, and S. Martin Lindenauer), the College of Pharmacy (Duane Kirking), the Institute for Social Research (Robert Kahn, Lee Sechrest, and Paul Wortman), and the Veterans Administration Health Services Research program (Marie Ashcraft).

Research activities were undertaken in almost every area of interest in health care organization and financing: quality of care, the use of interactive television as a means of providing care in rural areas, physician

referral patterns, the effects of prepayment and capitation on utilization of various services, administrative patterns in state Medicaid programs, the effects of work-induced stress on health, the relations between physician satisfaction and performance, technology assessment, health care utilization by Medicare beneficiaries, the organizational viability of the Office of Economic Opportunity's "health care networks", the health status, medical care utilization and insured status of the unemployed, and many others.

In 1984, to provide an organizational locus for much of this research activity, the Bureau of Public Health Economics (which had continued to exist as a non-functioning entity within the department) was renamed the Bureau of Health Policy Research by the Regents, and its membership broadened to faculty from other School departments. The Bureau's new name recognizes the wider scope of the activities it will carry on, as well as the more general public and professional awareness of this area of endeavor.

In 1980, the Department's PhD program was converted to an interdepartmental program in Health Services Organization and Policy, carried on with the cooperation of the Departments of Health Planning and Administration and of Hospital Administration, with financial support from the W. K. Kellogg Foundation. In 1984, a DrPH program in health policy, to be conducted in the OJ/OC mode by the Departments of Medical Care Organization and Hospital Administration, was inaugurated. Financial support for the program was received from the Pew Memorial Trust.

During the current year (1984-85), there are over 100 students enrolled in the programs in which the Department participates: 48 MSA students, 27 OJ/OC VIII students, 14 Pew Fellows, and 17 students enrolled in the HSOP program.