# HOSPITAL ADMINISTRATION ORAL HISTORY COLLECTION

Jack A. L. Hahn

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JACK A. L. HAHN

In First Person: An Oral History

Interviewed by Donald R. Newkirk 1993

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Chicago, Illinois 60611



Jack A. L. Hahn

# CHRONOLOGY

1922	Born April 24, Evansville, Indiana
1943	University of Evansville, BA
1946-1947	Chicago Wesley Memorial Hospital, (now Northwestern University Hospitals), Chicago Administrative Assistant
1948	Northwestern University, MHA
1948-1952	Memorial Hospital, Fremont, Ohio Administrator
1953-1981	Methodist Hospital of Indiana, Indianapolis Assistant Superintendent, 1953-1954 President and Chief Executive Officer, 1954-1981 Chairman, 1981

#### MEMBERSHIPS AND AFFILIATIONS

American Association of Hospital Planning
Director
Secretary

# American Hospital Association

Council on Administration, Member, 1959-1962; Vice Chairman, 1960-1962

Council of Association Services, Chairman, 1962-1965 General Council, Member, 1962-1965, 1970-1973; Chairman, 1970

Board of Trustees, Member, 1965-1968

Board of Trustees Executive Committee, Member, 1970-1973

President, 1971-1972

House of Delegates, Chairman, 1972

# American College of Hospital Administrators Fellow, 1955 Regent, 1964-1965

American Protestant Hospital Association Board of Trustees, Member, 1958-1967 Executive Committee, Member, 1958-1967 President, 1966-1967

# Blue Cross Association Board of Governors, Member, 1970

#### Indiana Blue Cross

Board of Trustees, Member, 1963-1981 Rate Review Committee, Member, 1963-1969 Executive Committee, Member, 1964-1968

# Indiana Hospital Association

Trustee, 1960-1963 Vice President, 1963 President, 1963-1964 Council on Hospital G

Council on Hospital Governance, Chairman, 1955-1963

# Indiana League for Nursing Member

Joint Commission on Accreditation of Healthcare Organizations Commissioner, 1973-1979 Chairman, 1976 Committee on Research and Education, Chairman, 1976-1978

National Association for Practical Nurse Education and Service Trustee, 1960-1965 Hospital Advisory Committee, Chairman, 1960-1965

# MEMBERSHIPS AND AFFILIATIONS (continued)

- National Center Health Services Research and Delivery Study Section, Member, 1970-1974
- National Health Council Delegate, 1963-1970 Trustee, 1967-1970
- National League for Nursing Committee Member Officer
- Ohio Hospital Association Institute Committee, Chairman
- State of Indiana
  Statewide Health Coordinating Council, Member, 1977-1982;
  Chairman, 1980-1982
- Toledo Area Hospital Council President, 1951
- Tri-State Hospital Association President, 1979 Board of Directors, 1974-1979 Treasurer, 1976-1977
- United Methodist Church
  General Board of Health and Welfare Ministries, Member,
  1964-1972
  Finance Committee, Treasurer and Chairman, 1968-1972
  Certification Council, Member, 1964-1972; Chairman,
  1969-1971
  National Association of Health and Welfare Ministries,
  President, 1975
  National Association of Health and Welfare Ministries,
  Trustee, 1974-1976
- United States Department of State Consultant; Panama, 1962; Guatemala, 1967
- United States Surgeon General Emergency Health Planning Consultant, 1963-1969

# MEMBERSHIPS AND AFFILIATIONS (continued)

Faculty Appointments, Lecturer, Assistant Professor, Preceptor at the following institutions:

George Washington University
Indiana University
Missouri University
Northwestern University
Trinity University
Washington University
Xavier University

#### AWARDS AND HONORS

- American Hospital Association
  Distinguished Service Award, 1973
- American Protestant Hospital Association Honorary Fellow, College of Chaplains, 1967 Distinguished Service Award, 1977
- Association of Hospitals of Puerto Rico Honorary Member, 1970
- DePauw University
  Honorary Doctor of Law, 1970
- George Washington University for Health Care Administration Honorary Member, Alumni Association, 1976
- Kentucky Hospital Association Honorary Member, 1973
- National Association of United Methodist Hospitals and Homes First Administrators Award, 1970
- Northwestern University
  Alumni Merit Award, 1974
- Northwestern University, Program in Hospital Administration First Alumni Achievement Award, 1967
- Tri-State Hospital Assembly
  Award of Merit, 1967
- University of Evansville
  Honorary Doctor of Law, 1958
  Alumni Award of Excellence, 1980

#### PUBLISHED WORKS

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- Hahn, J. A. L., and Hahn, L. Just a little training helps a lot. Modern Hospital. 17(9):80-81, Sept. 1948.
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- Hahn, J. A. L. Patients' accounts. <u>Hospital Accounting</u>. 4(8):5-9, Oct. 1950.
- Hahn, J. A. L. Biography. Hospital Topics. 33:(5)3, May 1955.
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- Hahn, J. A. L. These four techniques help information go full circle. <u>Hospitals</u>. 32(23):39-40,94, Dec. 1, 1958.
- Hahn, J. A. L. Hospital emergency plan meets Indianapolis speedway disaster head on. <u>Modern Hospital</u>. 95(1):144-145, July 1960.
- Hahn, J. A. L. Voluntary community hospital—its future in graduate medical education. <u>Resident Physician</u>. 6:108+, Nov. 1960.
- Hahn, J. A. L. Fragmentation or cooperation?—an L.P.N. representative. <u>Hospital Progress</u>. 42(9):86-87, Sept. 1961.
- Hahn, J. A. L. Pricing hospital services. <u>Hospitals</u>. 36(12):51-55, June 16, 1962.
- Hahn, J. A. L. Hospital objectives, nursing education, and dollars. <u>Nursing Outlook</u>. 11:66-69, Jan. 1963.
- Hahn, J. A. L. Budgetary reporting and management action. Hospitals. 37(6):46-50, Mar. 16, 1963.
- Hahn, J. A. L. Stocktaking and stockpiling for massive disaster. <u>Hospitals</u>. 37(24):46-48, Dec. 16, 1963.
- Hahn, J. A. L. Setting service charges to meet total financial needs. <u>Hospitals</u>. 38(9):26-29, May 1, 1964.

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- Hahn, J. A. L., and Mote, J. R. Employees reinforce this grievance plan. <u>Modern Hospital</u>. 103(5):99-101, Nov. 1964.
- Hahn, J. A. L. Membership services help advance hospital care. <u>Hospitals</u>. 39(11):87-88,90, June 1, 1965.
- Hahn, J. A. L. Religious ministry as an integral part of hospital care. <u>Bulletin of the American Protestant Hospital Association</u>. 29(3):8-9,22-23, Oct. 1, 1965.
- Hahn, J. A. L. Principles of organization, management, and community relations for hospitals: how they are being implemented. <u>Hospitals</u>. 39(21):39-42, Nov. 1, 1965.
- Hahn, J. A. L. President's message. <u>Bulletin of the American Protestant Hospital Association</u>. 30(2):1,7, July 1966.
- Hahn, J. A. L. Opportunities for the church. <u>Bulletin of the American Protestant Hospital Association</u>. 32(1):5-7, Apr. 1968.
- Hahn, J. A. L. Health manpower-hospital effectiveness chart hospital horizons. <u>Michigan Hospitals</u>. 4(6):8-9,29-31, July-Aug. 1968.
- Hahn, J. A. L. Positive zoning requirements can help meet demands for expanded health services. <u>Hospitals</u>. 43(19):47-50, Oct. 1, 1969.
- Hahn, J. A. L. Health care issues of the '70s: what are the issues? Hospitals. 44(1):46-51, Jan. 1, 1970.
- Hahn, J. A. L. Views on physician board membership. <u>Hospital</u> <u>Topics</u>. 48(7):24-25, July 1970.
- Hahn, J. A. L. President's inaugural address. <u>Hospitals</u>. 45(4):53-58, Feb. 16, 1971.
- Hahn, J. A. L. Fulfilling our uniqueness in health services. Bulletin of the American Protestant Hospital Association. 35(1):5-6, Spring 1971.
- Hahn, J. A. L. AHA and the Perloff report: an introduction to Ameriplan. Hospital Forum. 14(3):5,24, June 1971.

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- Hahn, J. A. L. Contemporary view of medical education. <u>AHME</u> <u>Journal</u>. 4(4):8-12, July-Aug. 1971.
- Hahn, J. A. L. Training for top management. <u>World Hospitals</u>. 7(4):157-159, Oct. 1971.
- Hahn, J. A. L. Statement of the American Hospital Association before the House Ways and Means Committee on national health insurance. <u>Hospitals</u>. 45(24):134-141, Dec. 16, 1971.
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#### NEWKIRK:

Today is Thursday, August 5, 1993. My name is Don Newkirk, and I'm sitting here with Jack Hahn, and it's about 8:00 in the morning in his beautiful home in Indianapolis. Jack is one of the most prolific contributors to the profession of health care management and policy in our history. Jack's a long-time friend and colleague who will, during this interview, reveal to us a history of accomplishment and service that's truly remarkable. But let's hear his story from his own personal perspective.

Jack, let's start on April 24, 1922, in Evansville, Indiana. As you know, that's when you were born and things started happening. Tell us a little about your early life. HAHN:

My father was a hospital administrator, had just started in hospital administration about the time I was born. I did have a sister who died of peritonitis when she was about 10 years old. She was just a few years older than I was, so I was practically raised as an only child. My father became totally blind a few years after I was born, and my mother worked with him a considerable time in the hospital. For most of that time, she worked purely as a voluntary administrator, but later the board recognized how much she had done and was doing, and they put her on the payroll as assistant administrator, and she was officially recognized both in the hospital and outside the hospital job in the hospital field. She was named an Honorary Fellow of the ACHA. My father was a Charter Fellow.

#### **NEWKIRK:**

Jack, your mother's name was Grace, is that correct?

#### HAHN:

That's correct.

#### **NEWKIRK:**

What happened?

#### HAHN:

Due to our family conditions as such, as a youngster I spent considerable time visiting in the hospital and seeing how things were done, and ofttimes worked in departments just helping out. So my hospital career started very early.

#### NEWKIRK:

The hospital at that time in Evansville was what size? Was that a large hospital at that time, or . . .

#### HAHN:

At that time, it probably was around 175 beds.

# **NEWKIRK:**

That was a pretty big hospital then.

# HAHN:

Yes. My father was also the, what was then known as the executive secretary, or the chief executive officer, of the Indiana Hospital Association. He was the first one that held that position. He was also the first one that held that same position with the American Protestant Hospital Association. And then along with the states of Indiana, Illinois, and Wisconsin, they formed the Tri-State Hospital Association as one of the early—it was, I

think, the second regional association in the United States, the first being the New England Hospital Assembly. Dad was Tri-State's first executive secretary. So very early, I'm reading Dad's mail to him, other things of that type. I became acquainted with people not only in Indiana but nationally and knew a lot of things that were developing in those days when I was still just a youngster.

#### **NEWKIRK:**

When you say you were a youngster, what age approximately? Going to high school, or earlier, or . . .

#### HAHN:

Oh, 10, 12 on.

#### NEWKIRK:

Is that right?

#### HAHN:

Yes.

#### **NEWKIRK:**

Jack, you went to high school in Evansville?

# HAHN:

Let me go back and say something else about the relationship with my parents and their activities. My father was a Charter Fellow of what was then the American College of Hospital Administrators, and I remember him coming home from a meeting at which they founded that organization at the Sherman Hotel in Chicago.

#### NEWKIRK:

Okay. That's very interesting. Go back to your childhood now. You were sort of in and out of the hospital all the time. Very, very conversant with both your mother and father involved in it. You went to high school in Evansville?

### HAHN:

That's correct.

#### NEWKIRK:

And then you went to—were you in the military prior to going to college, or did you start at the University of Evansville before the military?

#### HAHN:

Well, I was very active in the Boy Scouts, and I was a counselor at a Boy Scout camp, and many of the fellow counselors were students at Evansville College. I checked back on my high school record—it was after my junior year—and I found I only needed one credit to go to college and to graduate from high school. So I went out and visited with the dean at the college, and he said I could be admitted as a special student. So by the time I graduated from high school, I had finished my freshman year in college. I enjoyed Evansville College so much that I stayed on there for my entire four years.

#### **NEWKIRK:**

Then you went on to Northwestern? Is that correct?

#### HAHN:

No, I was in the war. WW II started when I was in the middle of my junior year, on December 7 of '41, and, within 20 days, I enrolled in what was called the V7 program in the Navy, which gave me the opportunity to finish my undergraduate college career and then go to midshipmen's school and be a "90-day wonder" and become an ensign.

#### NEWKIRK:

Tell us a little bit about that military career.

#### HAHN:

My midshipmen's school was in Northwestern and, at that time, graduates were arbitrarily assigned after graduation, after being commissioned, to somewhere in the fleet. The only two places that were selecting volunteers were the PT boats and the submarines. I knew I was too small to be on the PT boats, which usually had a very muscular crew. The submarine service sent their recruitment crew in, composed of psychologists and former submarine skippers, and they interviewed some hundred of us in the midshipmen's school, and 12 of us were selected to go on to submarine officer's school upon graduation from midshipmen's school. So I went directly from midshipmen's school to submarine officer's school and then flew out direct to the Pacific Theater to assignment to a submarine, where I spent the last two combat years of World War II on combat duty on a submarine.

#### **NEWKIRK:**

Which submarine were you on?

# HAHN:

I was on the <u>Segundo</u>, which was a fairly successful submarine. We sunk over about 50,000 tons of shipping and had four successful war patrols while I was on that boat, as submarines were called—not ships—and we would have patrols of 60 days and then two weeks of R&R and refitted the submarine for any repairs, and go out again on another 60-day patrol. So I spent all boat time in the Pacific without coming back to the States.

#### NEWKIRK:

Now after you were out of the military, where did you go?

Well, graduate programs in hospital administration had really just started. Dr. Bachmeyer started his program at the University of Chicago, which was the first one, and Dr. MacEachern during, I think, 1945, started the program at Northwestern as the second program. I remember how that program was started. I enrolled in the Northwestern program immediately when I came out of the Navy. But I also went to Chicago Wesley Memorial Hospital, which is now Northwestern University Hospitals, and got an appointment as an administrative assistant and served in that position, went to school almost full time, so that I took the one-year academic program in 18 months and worked full time at Wesley. My chief executive officer at Wesley, Edgar Blake, was a close friend of Dr. Rocky Miller, who was the dean of Northwestern Medical School and later the president of Northwestern.

Dr. Miller saw the opportunity and the need to start another program in hospital administration. He went to Edgar Blake in 1942 and asked him who he would suggest to head up that program. Mr. Blake suggested that he thought the best person he could find was just a mile away at the American College of Surgeons, Dr. Malcolm T. MacEachern, who'd headed up and originated the ACS hospital standardization program, which later turned into the accreditation program, and Dr. Mac, as we called him, was the originator and founder of the Northwestern program on the suggestion and the authorization of Dr. Miller and Mr. Blake.

#### **NEWKIRK:**

So you worked full time, went to school full time . . . HAHN:

Almost full time.

#### NEWKIRK:

Well, finished early. Now you're ready to go out. Where did you go first? What was your first job after Wesley?

HAHN:

Well, it was interesting to me at that time. I felt that I was best in a position to be an assistant administrator, but very few of the administrators were anxious to take on these new young college graduates who had academic experience that they had not had the opportunity to have. There were almost no jobs as assistant administrators, except in specialty jobs such as engineering or finance. So the only opportunities that I could really see were at

smaller hospitals. I ended up in what was then a 90-bed hospital in Fremont, Ohio, which I served for five years.

#### NEWKIRK:

Fremont, Ohio, is a very nice small town in northern Ohio, Sandusky County, and up on the prairies, right? So you brought some Chicago—born and raised in Evansville—up to Fremont. Tell me a little bit about that experience.

#### HAHN:

Well, in a hospital that size, the administrator does everything. I did lots of things about which I knew nothing. I learned by doing. It just so happened that my predecessors had not been very successful administrators, and so even my best mistakes sometimes were historically valuable in comparison, and I had immediate support of the board of trustees and the medical staff. We, for example, had no pharmacist. I purchased the drugs and helped the chief nurse fill the drug boxes for the various units in the hospital and did all of the purchasing and all of the credit and finance. When it snowed, I helped shovel out the ambulance entrance. Thanksgiving and Christmas mornings I worked on the switchboard. So you really knew what was happening in the hospital. And it was fun.

# NEWKIRK:

Vastly different than it is today, of course. Wasn't the Hayes—President Rutherford B. Hayes—family from Fremont?

HAHN:

That's correct.

#### NEWKIRK:

They must have been involved in the hospital. Tell us a bit about that.

# HAHN:

Yes. The Hayes residence was immediately adjacent to the hospital and was a national memorial. The nearest living relative to the president had that as his home, furnished by the federal government, and the president's wife was still living at the time the hospital was founded. Lucy Hayes—they called her Lemonade Lucy, because she was the first one that made the White House dry—started the Lucy Hayes School of Nursing, which you would hardly consider today in a 90-bed hospital.

#### NEWKIRK:

And now her son was Webb C. Hayes.

#### HAHN:

He was her grandson.

#### **NEWKIRK:**

Grandson.

#### HAHN:

Great, great grandson.

# NEWKIRK:

Oh, I see. So . . .

#### HAHN:

He was an ex-Navy officer and an Annapolis graduate, and he was chairman of the board of the hospital at the time I was hired.

I made my first visit to Fremont, and I did not have that

knowledge. He picked me up at Toledo Airport, and we rode down, and they put me up that night in the Hayes mansion—and I slept in the room where President Hayes had died. I found out that really Commodore Hayes, then retired from the Navy, was more interested in my submarine experience than in my hospital experience. I felt I got my first job primarily because I had been a submarine officer rather than because I had had a master's degree in hospital administration.

#### NEWKIRK:

Very interesting. Then you left Fremont. Under what circumstances? You weren't ridden out of town on rails or anything, I hope.

#### HAHN:

No, I loved my Fremont experience and was equally well received. I had a visit one Saturday from Mr. William Schiltges, who was the chairman of the board of the Methodist Hospital in Indianapolis. I was familiar with that hospital because some of its previous administrators had been good friends of my parents and it was the largest hospital in Indiana, and Mr. Schiltges said I was one of the few people who he was out on the road interviewing. I did know the current administrator, then under the title of superintendent, Robert Neff, who was a past president of the American Hospital Association.

# HAHN:

He was past president of the AHA when he was the chief executive officer at University of Iowa hospitals and then he came

to Indianapolis Methodist after that, Indianapolis being his And the Methodist being a larger hospital than the University of Iowa Hospitals and offering more compensation. Mr. Neff had reached the age of 65 and said that he was looking toward retirement, and he would either retire or they could bring someone in and he'd retire in two years if he could work eight months out of the year, taking two months off in the winter and two months off in the summer. I came over on my visit to Indianapolis at Mr. Neff's and Mr. Schiltges's invitation and visited with the executive committee and the board, and they offered me the position of either the chief executive officer or the assistant under those terms that Mr. Neff had cited. I think one of the smartest moves I ever made was to decide to not be overly ambitious and take that job as assistant administrator and get the experience in the large hospital again, having been five years in a nonteaching hospital, and Methodist being a major teaching hospital, particularly as far as nursing was concerned. It was a very, very large school of nursing.

#### NEWKIRK:

Now you went, then, from a rather obscure hospital in a small town to a big city and the biggest hospital in Indiana and one of the biggest hospitals in the country, probably. I think I read somewhere where it was one of the 10 largest nongovernmental nonprofit hospitals in the country.

#### HAHN:

That's right. We had put on one addition on at Fremont while I was there, adding another 50 beds. So I went from about 140 beds to 550 beds.

#### NEWKIRK:

That was a fast rise, wasn't it?

#### HAHN:

Yes, it was.

#### NEWKIRK:

That was in 1953.

#### HAHN:

That's correct. I spent five years in Fremont.

#### NEWKIRK:

And you were two years as assistant superintendent of Methodist; well, actually in 1954, the record shows that you became chief executive there. Is that correct?

#### HAHN:

Well, I was elected in the annual meeting in '54, and Mr. Neff's retirement was actually the 1st of January of '55.

#### NEWKIRK:

How old were you at that time, Jack?

# HAHN:

Just 30 years old.

#### **NEWKIRK:**

That's very amazing. That's just one of the first amazing things in your career, though. Let's run on through that. Well,

just for the record, though, you were there what? Twenty-seven, 28 years as chief executive?

#### HAHN:

I was there 27 years as the chief executive officer—a total of 30 years overall.

#### NEWKIRK:

Okay. And in 1981, again the record shows that they made you chairman of—that was not an executive position, that was on the board. Is that correct?

#### HAHN:

No, it was a semi-executive position. I was still an employee of the hospital until my retirement, an ex officio board member.

NEWKIRK:

Okay. Well, let's go back and talk a bit about what you did outside the hospital. You must have had a very, very good management staff and must have had that place organized beautifully to do as much outside work as you did. Tell us a bit about that. HAHN:

Well, when I was in Fremont, I recognized that what was happening in the community was to a great degree important to what happened in the hospital. So I made sure I had a relationship with all of the health-service-related organizations in the community. So I made sure that I had a relationship with and usually became a member of the board of the community's health-related organizations, such as the Red Cross and the Cancer Society and groups like that. When I came to Indianapolis, I recognized the

same thing, and had always had an interest in public relations, so I got involved in Indianapolis community affairs. In 1953 when I arrived, Indianapolis had just decided it was going to have a citywide financial campaign for hospital construction, and Methodist was to be one of the big recipients of that campaign. I think the first thing Mr. Neff did was to ask me to serve as the chairman of the in-hospital campaign for that, which was fortunate because I got to know so many people in the hospital just from organizing for that campaign. And then I represented hospitals throughout the city in that and got to know the real—the very major community leaders who were the board of the Indianapolis Hospital Development Association at that time. Indianapolis had not had any hospital construction for over 30 years, and so it was badly needed. So the whole community was really behind that financial campaign and a part of it.

#### **NEWKIRK:**

Now was that campaign one for Methodist only, or . . .  $\mbox{\ensuremath{\mathsf{HAHN}}}$ :

No, it was for a new community hospital on the east side of Indianapolis and for the St. Francis Hospital on the south side as well.

#### NEWKIRK:

Okay. Now you got involved in national things at a young age, too. You were an ACHA what is now the ACHE regent. When was that? Well, we don't need dates. Don't worry about that. But you were a regent from Indiana, is that correct?

#### HAHN:

That's correct. I first got involved in hospital associations when I entered the Toledo Hospital Council in Ohio when I was at Fremont, and my third year there I became the president of that for So I had the experience in that, and I made some a year. Ohio Hospital Association the about suggestions to educational programs, particularly the shortage of nursing supervisory education programs. And usually when you make suggestions, you end up getting the job, so I got the job of organizing the nursing leadership institutes in the Ohio Hospital Association.

#### NEWKIRK:

And when you moved to Indiana that continued; your interest in associations just kept sort of growing, didn't it?

HAHN:

That's correct. We were at Methodist, the closest hospital to the Indiana State House, so I was asked to be the chairman of the Council on Government Relations of the Indiana Hospital Association and did a lot of work early with the legislature and the administration of the state of Indiana. I purposely chose not to be related to—as an officer or a trustee in the Indiana Hospital Association, as long as my father was chief executive officer of that. I felt it was an inappropriate relationship for both of us. So until he retired from that position, I did not become an officer, but I did become the Indiana delegate to the American Hospital Association, which was not a conflict of interest. And so

I had the opportunity early in that portion of my career, of being in the legislative branch of the American Hospital Association. In my relationships with the American Hospital Association, I became particularly interested in national relationships with nursing associations. As I indicated previously, I had been interested in Ohio, of starting the educational programs within the Ohio Hospital Association for nursing leadership. When I came to Methodist, we were had one of the largest hospital schools (nursing diploma schools) of nursing in the country, and I got deeply involved in the administration of that program, and then closely related to the National League for Nursing, on their accreditation program. In the House of Delegates at that time, the major debate . . .

#### **NEWKIRK:**

House of Delegates of . . .

#### HAHN:

... of the American Hospital Association. At that time, the major debate for a year of two was whether the AHA should run their own accreditation program for nursing schools, or they should opt for what was then the professional program of the NLN. I took the side that we ought to go with the professional program—the program in nursing accreditation. And some of the states were very, very strong, again, in opposition of this. We had some real debates on the floor of the House of Delegates, and that's, I think, when I had my first recognition in the AHA, because I took a strong stand and won those debates on behalf of the NLN, and the leadership of

the AHA decided that was the most professional way for AHA to go, rather than to start their own program.

#### **NEWKIRK:**

I think, Jack—and I well remember those times—I think that the management of hospitals at that time was not nurse management, probably thought the nurses were getting a little too uppity and one of the ways to keep them in their place was to have our own accreditation program.

#### HAHN:

That's correct. That's the angle.

#### NEWKIRK:

Yes. And you were very farsighted, I think . . .

#### HAHN:

Well, I think that they felt, a lot of them, that the nurses would try to make the program more academic than the hospitals wanted to see at that time.

#### NEWKIRK:

I can remember CEOs saying that they didn't want the nurses traipsing off to meetings all the time. They were supposed to stay there and work. We were really a tunnel-vision profession at that time—except for you. You stood up and got the job done. Well now, you were also involved with the NAPNES, National Association for Professional. . .

#### HAHN:

. . . Practical Nurse Education and Service.

#### **NEWKIRK:**

Tell us a bit about that.

#### HAHN:

Well, we in Ohio had practical nursing schools, and I was a part of starting one in the Toledo area. When I came into Indiana, there wasn't a school of practical nursing, and we tried to get one started here. We had a conservative state government and refused federal money to support nursing education. So we had to go out on our own and raise money and do the things necessary to start a school of practical nursing in Indianapolis. And later, they got started in other places throughout the state. They've grown since then in many different ways, including close relationships to educational-regular academic programs. But in helping those two programs, I became acquainted with the accreditation program for practical nursing. And again, they were having a fight with the national league. The national league wanted to take them over, and this time I was in-I took the side of the practical nurses opposed to the National League for Nursing. So I got well acquainted with both those organizations. NLN once with and once against, and I think that, without NAPNES, we would not have seen the growth of the auxiliary nurse as we know it today, which is such a real backbone in nursing. I think that NAPNES kept those programs going nationally. And without it, the NLN would probably close them down so we would only have RN programs and nurse's aides.

#### NEWKIRK:

You were on the board of trustees of NAPNES at one time.

#### HAHN:

Yes. And we had a we felt that we ought to get really close to hospitals, so we had a hospital advisory council of that board of which I served as the chairman for a number of years. Guy Clark from the Cleveland Hospital Council was the first chairman of that program and actually brought me into it.

#### NEWKIRK:

Well, you were always known as a friend of nursing, that's for sure. Your information bears that out.

#### HAHN:

Well, I've married two nurses. That says something in itself. My late wife Lois was a nurse, a Navy nurse in World War II, and my second wife is a nurse, and both worked with me in nursing. Barbara was for many years director of operating rooms at Methodist and chief nurse at the Indianapolis Motor Speedway.

#### **NEWKIRK:**

You mentioned recently the Tri-State Hospital Association—tell us what that is and what your involvement in that was.

HAHN:

Well, as I said, the Tri-State was started by the Hospital Associations of Illinois, Wisconsin, and Indiana. Later Michigan joined it, so it became a four-state program, but they retained the name Tri-State because it was so well known by that name. It was felt that everyone in hospital leadership wanted to go to hospital exhibits, attend hospital educational programs in large numbers and the hospital couldn't go to the AHA every year, often a long travel

distance and very difficult to take more than just one person from within the hospital, so the regional hospital programs were set up. Tri-State had a large exhibit program and a major educational program. Later, I served on the board of Tri-State and shortly before the time Tri-State phased out in the 1970s, I served as the president of Tri-State.

#### **NEWKIRK:**

Okay. The APHA American Protestant Hospital Association—were you involved in that organization?

### HAHN:

Again, I indicated that my father played a part in organizing that and was the first executive secretary, so I knew that organization well. It was made up of various Protestant denominations, all who also had their own associations, which met annually, jointly, with the APHA, the American Protestant Hospital Association. So they keep their own denomination active, but also joined together as a Protestant effort, and all being together could bring better and bigger programs. I served first as president of the Protestant Hospital Association, but I was also active in the Methodist Hospital Association, and the Methodist Board of Health and Welfare Ministries, and became president of the Methodist Hospital Association later and was treasurer for many years of the Methodist Board of Health and Welfare Ministries, which was made up of half clergymen and half laymen, which really related to the whole activity of the Methodist Church in health and welfare.

#### NEWKIRK:

I think, Jack, that there's great historical value in the recognition that many of the church-related hospital associations were, at least in part, developed to preserve the religious aspects of heath care. The Catholic Hospital Association, of course, is a good example, and you've just described some others. Do you think that's probably a fair statement?

It's a very fair statement, but they were only partially successful. We noticed so many in the Methodist Colleges drifting away to being just independent private colleges, and losing their relationship with the church. And that wasn't only true in Methodism; it was true in other denominations, even including seminaries. Garrett Seminary in Chicago, which used to be a part of Northwestern, is now separate. Christian Theological Seminary in Indianapolis, which used to be a part of Butler University, is And we felt that our hospital would lose its now separate. relationship—and I say our, I mean the one I was serving, but also many, many others—if we didn't take and strongly indicate that that formal church relationship existed. We thought it was good, but that the church needed that outreach to be the church itself and that we gained by having someone we could lean back on as being bigger than just ourselves. And while the churches never gave tremendous money as a church to the institutions, the fact that the hospital was related to the church, I think brought in many, many volunteer donors who had a confidence in the hospital because of

that church relationship, and also felt like such was a Christian donation as well as just a donation to health.

Jack, look at the field, or the profession, or the hospital system as it now exists, and what—do you think that we've lost that church, that religious drive that we had?

HAHN:

Oh, in the relationships, organizationally, we've lost much of it, to my horror. But we have not lost it in the hospital service aspects; particularly, the APHA was strong in developing the hospital chaplaincy programs and in setting up training programs for hospital chaplains, realizing that a hospital chaplain was different than just a parish minister or a parish clergyman, because the Roman Catholics have also developed such programs and participated jointly ecumenically with us in sending their priests and sisters to some of the Protestant training programs. we've done is reached out and now have more hospitals that previously never had any relationship with any religious connection whatsoever. Albeit a full-service institution, it must also serve the body, mind, and spirit, and that spirit being religiously motivated so that many hospitals now are have a strong religious foundation that they didn't have before. It may not be organizationally related, but it's service-related.

#### NEWKIRK:

I think you're absolutely right. Many hospitals now most hospitals now have ethics committees. They didn't used to have ethics committees that dealt with such things as management ethics

and board ethics and things like this. But every one of those has a pastor or the head of the religious service—whatever it's called—of the hospital, on that committee, and, therefore, while not doctrinal, it does reflect right and wrong and community service and religious aspects. I think we still have that.

## HAHN:

You have it more than ever before.

#### NEWKIRK:

I think you're right. Well, a good diversion, because I know that you and your family for many, many years have been interested in this subject, and I think this will be an important part of our interview. Shall we . . . Let's see, we talked about the Indiana Hospital Association. You did about everything in that organization. When your father gave up the presidency, or whatever that CEO title was at the time, full-time staff was hired at Indiana Hospital Association, and you just went through the chairs, I guess, and did all kinds of things for them. Is that correct?

That's correct.

# **NEWKIRK:**

The American Hospital Association saw this talent pretty early and tapped you for lots of jobs. Tell us a bit about your work at the American Hospital Association.

#### HAHN:

Well, my first committee job was on the library committee of the Association. Then I was tapped to serve as a member of the Council on Administration, which was, I believe, then one of the strongest and most important councils and activities within the Association itself. That was a three-year appointment, and my second and third year I served as the vice chairman of that council.

#### NEWKIRK:

The purpose of that council being to improve management of hospitals.

#### HAHN:

That's correct.

#### **NEWKIRK:**

That's a very noble cause.

#### HAHN:

Then I was asked, when I completed my term on the Council on Administration, to serve as the chairman of the Council on Association Services, which was really how the AHA provides its service to the rest of the field, and I accepted that position, which was also a position that placed me on the General Council of the Association, which consisted of the chairmen of all of the Association's councils at that time, and participated in all of the meetings of the Board. The General Council held its meetings first with the Board sitting in, and then the Board met, and the General Council's recommendations came up to the Board. So the council was often the instigator of almost everything that the Board decided.

### **NEWKIRK:**

It seems, having served on that General Council myself, it was a—really many times more important than the Board. Developed all the work, and the Board sort of went along with it.

# HAHN:

The Board listened, and then Dr. Crosby, the AHA's CEO at that time, presented the recommendations of the council to the Board, although often you, as the chairman of the council, made those presentations. I remember our Council on Association Services was the structure committee of the Board, or of the Association, and we had a major structural consideration at the time I was chairman of that council, and I'm sure there were almost 100 recommendations that came from that council—specific recommendations for the Board to act on, which required more than a day and a half of presentation. I made the Board presentation of those recommendations.

# NEWKIRK:

How many of them do you recall, and do you recall many of them accepted by the Board?

# HAHN:

They accepted most of them. I don't recall the percentage. NEWKIRK:

I just think it's interesting.

### HAHN:

I know that one of the things we suggested was a different relationship of women's auxiliaries to the Board, and that was

passed by the Board by a narrow margin, and we really had the ladies disturbed at that time. They then took their place along with the rest of the volunteers rather than just women's auxiliaries.

### **NEWKIRK:**

Another very, very significant movement during your career. You went from the General Council, which was right under Board-level membership, to the Board itself, and then became chairman. Is that correct? Or president, as it was then known.

### HAHN:

I served three years on the General Council and three years on the Board. And then my Board membership terminated. I had a year when I did not serve on the Board but was the next year nominated and elected to serve as the president of the Association, which was the title at that time.

#### NEWKIRK:

Jack, tell us about that nominating process a little bit. Is that pretty much a good old boys thing where they got off in a corner and figured out Jack Hahn was the brightest young guy and let's do it?

# HAHN:

It had gone from, I think, in the very early '40s and originally a very political thing, to one in which it was felt that you earned your route other than by politics. The few years before I became president, I think starting in the late '60s, I know my two or three predecessors did nothing to campaign for the

presidency, nor did I, except our work as we saw it and was requested within the Association itself. We had no political backing to support us in going to the Nominating Committee and making recommendations. It was the Nominating Committee's real decision about what they felt was best for the Association. And, of course, as a past president, I then served three years on the Nominating Committee, and that process continued for those three years, but very shortly thereafter, it became very political and is still such today.

### NEWKIRK:

It's run much more like a political campaign than it was in those days.

# HAHN:

That's correct.

## NEWKIRK:

You were sort of at the turning point of that, I believe. It started getting more political not too long after you were president.

### HAHN:

I would say it was two years later it was becoming very political. I know at the time that Horace Cardwell was elected, Texas ran a very, very strong campaign and that was just two years after I came off of the Board.

### NEWKIRK:

As I recall, that was a rather startling thing to do, and there were quite a few raised eyebrows when that happened.

HAHN:

Yes. Well . . .

**NEWKIRK:** 

Tell us about your term in office.

HAHN:

Well, I think a couple of things were very important. First, the finance of the Association was important, and to get any kind of a dues increase, the Board had to make recommendations to the House of Delegates. It became a real responsibility for the presidential officers—the president-elect, the president, and the immediate past president-to go out and sell the states on the need for a dues increase and what it would mean to the Association and what it would mean in the way of service. And my two predecessors, when I came in as president-elect, had gone through it once before and said they had had theirs. Dr. Crosby said, "I'm retiring in a year or two, and I've had mine." And they all three patted me on the back and said, "You go out and sell the program." And Crosby said, "I've had my last one." And so I made a trip to most of the regional advisory boards and sat down with them and tried to sell them so that they were knowledgeable of it before the House of Delegates met, and it did go through fairly smoothly then.

And, of course, a major thing was government relations, and we had a strong department of government relations in Washington. Dr. Crosby felt that that was not his main talent or expertise, and, while he did some government relations, and government did look to him extensively at times, he left most of it to the Washington

office. But both of them expected the presidential officers to do personal leadership in representing the Association in Washington.

The presidential officers of AHA, until Dr. Crosby's death, served as the primary personal relationships when leadership decisions needed to be negotiated in Washington. And, of course, they did receive great help from Ken Williamson who was then the Washington director of government relations. Those were relationships that had to do with the Medicare reimbursement system, and the specifics of reimbursement. I think one of the major things that happened, which was a great concern to hospitals, was when then Secretary of HEW, and a very short-term secretary, Bob Finch, withdrew what hospitals had been receiving: a 2 percent reimbursement over costs. This was done arbitrarily and unilaterally and . . .

## **NEWKIRK:**

And the removal was arbitrary.

# HAHN:

Yes, on his part. He refused to give us a hearing. The president refused to talk with the Association about it. We finally did get through to Social Security Administration where our friend Tom Tierney was in charge of the financial section of Medicare, and Tom having been a former Blue Cross director in Colorado and a former council chairman of the American Hospital Association. I was appointed the chairman of a committee to try to negotiate some alternative for the 2 percent factor. We negotiated at that time, which for at least a time, was a rather successful

substitute—or reasonable substitute—which was called the nursing factor, in which it was instructing government to realize that nursing care of the aged—the elderly Medicare patients—required more care than the normal patient in the hospital, so that we should have more than the average reimbursement of cost, and we got a plus factor nursing formula included in the reimbursement formula. That was accepted then by the government. We dealt considerably with, after Secretary Finch, Secretary Caspar Weinberger, and one of their negotiators was a well-known economist named Irv Wolkstein, who I must say was a most difficult person to negotiate with. Very tough. He was good from the government's standpoint but difficult from our standpoint. But we did at least win our nursing factor.

I think one of the other things that I should say while we're talking about relationships with HEW, we had an excellent relationship—the Association—with Wilbur Cohen when he was Secretary of HEW. Cohen was the principal author of Medicare and Medicaid, and he realized the importance of hospitals in those programs and was very cooperative in sitting down and listening and talking with us. We also had good relationships with Elliott Richardson when he was the Secretary of HEW, and, when writing legislation, he would often call in Dr. Crosby and the elected officers to discuss various proposals and ask for our alternates. What are our own proposals?

At that time, we recognized that there needed to be some considerable restructuring in the system. The Board of the AHA had

actually—the year that I was not a member of the Board, 1969—appointed a committee, which was under the chairmanship of a hospital trustee president, Earl Perloff, of Philadelphia, and was a very, very strong committee—a very diverse committee—consisting of people of strong health care relationships. Not all hospital administrators, but all professionals, and from all different areas. We had a legal representative on that committee who was the legal representative for the for-profit, or investor-owned, hospitals, and, well, a very, very strong membership.

The committee met regularly, at least every three or four weeks, and held two- or three-day meetings to really discuss where we ought to go in hospital development, and came up with a program that they called health care corporations, which were what we know of today really as hospital systems. But doing even more than the hospital systems are doing today, they were to be given the responsibility by the federal government of the provision of total health care to a segment of the population. They'd be headed up by one individual hospital, but that hospital could contract with other hospitals to support them in that program, or other hospitals did not contract could compete with that health care It was a very complex program, very thoroughly corporation. thought out and developed, and, when it first came to the House of Delegates, was defeated on the floor. Or at least it did not reach the point of passage. It might have been tabled. I can't exactly remember whether it was defeated or tabled. Then later at a

special session of the House, it passed. The entire program was named Ameriplan.

### NEWKIRK:

Now the purpose of that coming to the Board, Jack, would it not be to say then that the AHA supported that approach and pushed for it?

# HAHN:

Pushed for it in legislation.

### NEWKIRK:

Right.

### HAHN:

When we saw that it wasn't going to pass, it was during a meeting, the annual meeting of the Association in Washington, and I believe that was in 1970 or '71. We sat down. I remember sitting with Dr. Crosby and trying to select a person from each region—a person who was strongly respected and well liked, but also had good thoughts and strong Association support. We asked D. O. McCluskey of Alabama to chair that committee. That committee of RAB representatives met regularly and came up with support of the Perloff report and votes of the House, and I believe we received a very strong majority vote the next year in the House, and we were requested at the time I was president of the Association, to put that into federal legislation. We hired two legislative writers recommended by Ken Williams of the Washington office, one being Alanson Willcox, who wrote the Hill-Burton (hospital construction) bill in the 1940s. And we wrote that bill primarily at One

Farragut Square, which was the Association's Washington headquarters at that time. I was making almost weekly trips to Washington to meet with them on behalf of the officers.

Then we were fortunate in receiving the willingness of Congressman Al Ullman of Oregon and Ways and Means chairman to introduce that legislation. He did it in the first bill in the House in that legislative year, and it became H.R.1, which we strongly supported but were unable to get off the ground. I remember Anne Somers, who was then a health economist and a close friend of the Association, pointing out she thought we had made a mistake in trying to introduce it as one total bill, which had the whole package together. We should have introduced it in bits and pieces and build on it. We felt that we had to show what the whole program was, and we didn't win that one. We did, however, have a hearing before Ways and Means. But things continued to move toward the formation of health systems, which was really a big foundation of the Perloff Report.

# **NEWKIRK:**

Jack, as you and I sit here today, on August 5, 1993, I think both of us can—would take a bet that Hillary Rodham Clinton's proposals that will be announced in September to reform the health system of the country, are going to contain a lot of the things that were in that original bill. Probably nobody that she's worked with is old enough to remember it.

## HAHN:

At least she hasn't asked anybody to participate who has that kind of background.

### NEWKIRK:

I think you're right.

### HAHN:

I would also say that when we're talking about relationships with the government, at that time we had AAMC, the American Association of Medical Colleges, had founded its council on hospitals, and we were asked to take and join a consortium of health care national associations to pool our money in the Washington programming. Ken Williamson was very much opposed to that, and I felt that we had—we were very wrong in not coming in with our colleagues in the field. And we did, to a great extent, join in that "promotion," that relatively short-lived group fundraising and fund-use effort. John A. D. Cooper was then the executive president of the AAMC, and the chairman of—the dean of Duke University School of Medicine was the president of the AAMC.

Very interesting. So you really presided over some extremely important developments and the introduction of some very, very important national legislation relating to the health care system. Again, these ideas are now coming out in the newspaper today as new ideas. Capitation—a new idea. Nobody ever thought of it before. Health care institutions or providers being responsible for

segments of the population. New ideas. How long ago was it that this was all worked out?

### HAHN:

Well, starting in '69, I'd say, and going through the early '70s, I'd say two unfortunate things happened at that time as far as the AHA was concerned. The president-elect of the AHA in 1969 was Mark Berke of San Francisco. Early in his year of office, 1970, he developed a brain tumor and was not able to participate actively. He attended a couple of the AHA Board meetings but not as the presiding officer. It was up me to serve as the presiding officer, because Mark was physically not able, nor could he do the representation that was required of the leading elective officer.

Also at that time, in 1971, the executive vice president of AHA, the chief executive officer, Dr. Edwin Crosby, had an acute myocardial infarction and became incapacitated for a considerable number of months. He did come back for a few months. He was able to sit in on the House of Delegates meeting in September of 1971, which was my presidency year, but then he died rather suddenly in January of 1972, so for a great part of the time, in early 1972, almost throughout the entire year, without a chief executive officer except an acting executive officer, which we appointed—Dr. Madison Brown who had been Dr. Crosby's chief associate, senior associate.

# **NEWKIRK:**

Those were hectic times. As you well know, I was at that time involved in AHA also, and watching you from afar. You were the big

guy, and I was the youngster from Ohio—Ohio Hospital Association—working for you whenever I could. Those were hectic times. Jack, just to change tracks here for a second, you did some work for the Joint Commission on Accreditation of Hospitals, which helped the organization. What was that? What involvements did you have in that?

### HAHN:

I'd like to talk about that, but I'd like to add one more thing back while we're still talking AHA. That is, Dr. Crosby's illness and death, and what took place at that time. The presidential officers, primarily through their leadership of then president Stephen Morris, appointed a nominating committee, and it consisted of four past presidents of the Association, with Dr. Russ Nelson as the chairman, and it did have one hospital trustee, the leading executive of Hallmark Cards of Kansas City, who'd been quite active in hospitals, serving on the five-man committee.

That committee met and made its recommendation to the Board, and they only had one recommendation. The Board was quite upset at that time, because they felt that they should have a number of people to choose from. They also were concerned that that recommendation was Walter McNerney, then president of the Blue Cross Association. McNerney, rightfully in his job, often criticized hospitals. Many of them felt it was to the extent that it had hurt hospitals and were opposed to him. Some felt he was an enemy of hospitals rather than a colleague.

The Board then discharged the nominating committee under Dr. Nelson and appointed a nominating committee of its own. That nominating committee met and did interview a number of people and talked to a lot of people who themselves made recommendations, and we had a meeting prior to the annual convention of the Association in 1972 in Chicago at the Palmer House when we called a meeting of the Board, and then President Kauffman said, "We aren't leaving this room until we elect a successor to Dr. Crosby."

I would say also that the officers had recommended, and the Board had approved, that the new chief executive officer would be known as the president. One of his major responsibilities would be the Washington scene, and he had a choice of officing either in Washington or in Chicago and having housing facilities provided in the other location, recognizing that both locations were important.

John Alexander McMahon, the Blue Cross chief of North Carolina, who was not known by all of the Board members but was known well by some of us, was finally elected. We called Mr. McMahon to meet with the Board the next day, and he flew from North Carolina to Chicago and met with the Board that afternoon, being the first introduction that some of the Board members had with him. They unanimously elected Mr. McMahon as president of the Association. Now let's go to the Joint Commission.

# **NEWKIRK:**

Well, before you do that, would you say, Jack, that Alex was sort of a dark horse?

### HAHN:

Very much so. I probably knew Alex better than any of the rest of them, having served on the Blue Cross Association board for a year where I had gotten my first personal acquaintanceship of Alex and became very appreciative of his talents. He was also, I think, I have to say, McNerney's favorite Blue Cross chairman. So McNerney also thought he was a good man.

### **NEWKIRK:**

Okay. Very, very interesting. Now I wonder if we could go on to the JCAHO and tell us a little bit about what you did. HAHN:

I remember the founding of the JCAH. It was at the Atlantic City convention back in the, I think, late '50s. It must have been, because I was chairman of the JCAH the 25th year. But when the College of Surgeons had decided that they could no longer carry on the accreditation program for hospitals, and there was a considerable concern that the AMA would take it over and it would be an entirely doctor-related program and could end up being very antihospital. There were a lot of physicians on the AHA Board at I believe, well, the president of the AHA was a physician. I remember the night that the Board met to make its decision whether it would join something that had been recommended, such as the Joint Commission, and a lot of people felt that the Board was going to be giving us away to the docs and it wouldn't be a hospital-oriented program.

But the House, meeting at the Traymor Hotel, passed with a great majority the Joint Commission recommendation. The commission was founded, and it remained intact to this day except for the addition of a dentist as a commissioner on the board. Otherwise, the board of commissioners remains intact as it was originally founded. The AHA had its share of representatives on the board and usually the past presidents were elected to that board as they completed their past presidency. I was able to have the privilege of serving on that board for a number of years and . . .

# **NEWKIRK:**

You were chairman also.

### HAHN:

I served on the board for six years and served as the chairman of that board in 1976. I was the first nonphysician elected to the chairmanship of the board. There have since been other nonphysicians elected, but I was the first nonphysician elected as chairman. There had been other AHA representatives that served as chairmen, but prior to 1976, for 24 years they were all physicians. NEWKIRK:

Jack, what is your opinion of the way that the JCAH has gone? As you look at it now, or as you finish your career, is it what you had envisioned originally? Did it go the direction that you wanted it to go?

### HAHN:

I think it did. I think that it had a lack of financial strength in the beginning and that many of the surveyors for the

commission were underfinanced and not as strong as they could be, and some of them went out and made bad representations for the commission with hospitals. And I believe that has improved extensively, although I have not been close to the commission's activities since 1980. I did have the privilege of serving as the chairman of the search committee when we appointed Dr. John Affeldt as the chief executive officer of the JCAH, and I believe he was an outstanding chief.

### NEWKIRK:

All right. We can now continue. The National Health Council. Jack, tell us about that organization. What was it, and what was your involvement with it?

#### HAHN:

The National Health Council was formed in the 1960s, and it was made up of some 40 to 50 of the major health associations in the United States, including the AMA and the NLN and the ANA (American Nurses' Association) and AHA and the Blue Cross and Blue Shield Associations, and the heart association, and the lung associations, and each of those had representatives to a House of Delegates of the Association. I had the privilege of representing the AHA as a delegate from 1963 through 1970, and I was elected a trustee of the council which met regularly in New York at the New York Blue Cross office. It really was a coordinating effort of the national activities of all of those associations and also to some degree of desire to control what those associations did on their

own. It was modestly successful in that accord and later phased out in the late '70s.

## NEWKIRK:

Interesting. We do not—I'm not sure that organization even exists any more.

### HAHN:

Oh, I think it phased out in the late '70s.

#### **NEWKIRK:**

Totally, you mean. It didn't change names. Jack, you did a lot of work; you did a lot of writing and speaking. Did you ever have a theme that you, that you thought was yours? Like we know, for instance, that you were very interested in nursing. Did you ever have anything run through your writing or speaking that you thought was a particular issue that you like to carry?

Well, I think capital financing and what we in Indiana learned to call rate review, which we think we developed in Indiana. I looked at writing in the beginning of my career as something that I needed to do as a student to research and study so that I just didn't go on living on what I had learned academically and to write after it's necessary to do that, to do some personal research and to do reading of research and writing of others. I tried from the very beginning, including back in 1948, I believe I had my first article published in Modern Hospital, titled "Just a Little Training Helps a Lot," which did happen to relate to training of

nursing auxiliary personnel; there was little organized training of those people at that period of time.

But particularly during the time of my chairmanship of councils in the AHA and the officership, I continued to be doing research on a national basis. I liked to give speeches extemporaneously, but I found that people would come up afterward and ask for a copy of the speech—so I got so that I felt, well, you might as well sit down and write it before you give it than to have to write it after you'd given it, so that I started writing out my speeches, occasionally giving them to some degree by notes, but often reading the paper. Then those were quite often picked up for publication in the major hospital journals.

#### NEWKIRK:

Very interesting, and, of course, that's a sincere compliment when they ask you for a copy of your speech. You were given the AHA Distinguished Service Award in 1973. That's certainly a great honor, but you continued much longer after 1973 to work for the AHA, didn't you?

# HAHN:

Yes. Those were my Joint Commission years after that. I had served as AHA has a committee on commissioners, and I served as the chairman of that which reported to the board, and, in other ways, but mostly in the Joint Commission after that time.

### NEWKIRK:

Some general questions. Where do you think the health system is going?

## HAHN:

Well, I don't think it's going to hell, but I think it's going to have even worse times than it's having today, and I think that when, back in the early '80s, we developed national legislation on health planning, and it was implemented at the state level. I became a strong supporter of health planning and remain so today even though many of my colleagues feel that we should be an unregulated agency rather than organized health planning. I believe health planning did set up some organized developments of health institutions and had a degree of control of costs, particularly capital costs in health institutions. And I remain so today even though my own Indiana Hospital Association has gone the other direction.

I think that, no doubt about it, we are finding that after that, after the health planning phased out, we got into what the government really encouraged, a field of competition between health agencies. I feel that has hurt the field tremendously. I think it's raised costs. I think the advertising business that the agencies or hospitals, particularly, have gotten into has been both unnecessary and costly and competitive, and hospitals—whereas we used to more often work together to do things cooperatively—work in the opposite direction, trying to beat each other to the punch. I think we did compete earlier for quality of care. But now we're competing, I think, and I—when I say we're, I mean hospitals—are competing more so economically. I don't think that's for the good of the system.

### NEWKIRK:

The hue and cry in Washington is to reform, and I say that in quotes—"reform" the system. Do you think the system really needs that much reform, or is it an alteration process, or should we be capitating populations as you suggested many, many years ago and put into national legislation? What do you think? Where are we right now? What do you feel about the system right now?

I question whether we'll get into legislative capitation. think we may get into some long, strong voluntary capitation, and I think that institutions or systems will be responsible for bringing that about. I think that labor and industry will also play a major part in doing that. It's interesting to me that everyone when I say everyone, I mean the major organizations (the AHA, the AMA, the U.S. Chamber of Commerce, the national labor unions)—in 1972 were all for national health insurance. But every one of us came up with a different approach, and it never got anywhere. Then the economics, or the inflation, has grown to such an extent that the totally federally financed national health insurance, I think, is almost impossible to implement. that we'll have pluralistic financing. I think that's essential if have further development, capitation of the system, or enrollment of the total population.

### NEWKIRK:

Would you agree that a total socialization of health insurance would mean that the government would pay all the bills? And the

federal government has proven over the years that it would much rather like to spread the tax. They'll pay part of the bills, but they want private payers to pay part and so on and so forth. So that the population of the United States is paying a sort of a hidden tax by cost shifting. And that's probably the way it's going to go, isn't it?

### HAHN:

I don't think the public will let the federal government pass legislation that will have the federal government financing it all. I think facing the present budget that we see being proposed and the opposition to increase in taxation is such that I'm sure that total federal taxation of health services is just not feasible in the future. I think that it will have to be a pluralistic system. The federal government may do more to organize that system into one insurance project, but it will require pluralistic financing of the project.

# NEWKIRK:

I appreciate your saying that. Now this is going to go into the record, and it's going to go on the shelf in the library, and 50 years from now somebody will pull it off the shelf and say, "Now that guy Hahn really figured it out right or wrong or whatever." We appreciate your comments in that regard. In terms of government involvement, the government has exhibited that they do not want to have a socialized medical system. They don't want to own hospitals. They want us to own them. They want other people to own them. Do you think government involvement means it's going

toward the direction of making more decisions on who gets care? Rationing, for instance?

#### HAHN:

I think rationing is to a degree possible.

# NEWKIRK:

HAHN:

It's certainly a popular subject, and, as we sit here today waiting for maybe a month from now for the grand plan to come out of Washington, it will be interesting to see what is told.

I think Oregon ran into some difficulties when it tried to put in a rationing program, but I think to get away from some what I would quote as unnecessary unquote runaway costs, rationing could

prevent that.

# NEWKIRK:

The course that you took at Northwestern to educate you on how to manage health care operations was, could probably be looked at as sort of a trade school now. It seems that in health administration education, we're now going toward more information on policy development and more the abstractions in terms of decision making rather than hands-on. Do you think this is a good thing to happen?

# HAHN:

Not to the degree that it is happening. It is true that in early days of academic health care administration, we were really trained to be institutional managers. That was the intent of the program—institutional managers were educated to do so. It was

important at that time. I think it continues to be just as important, but I see coming out of at least many of the graduate schools graduates who are more interested in the social and economic effects of the program rather than how they're administered from an institutional level. I think that we've lost some of the esprit de corps in institutional management that we had in earlier days.

#### NEWKTRK:

The graduate programs now, of course, lean heavily upon the nontraditional kinds of things. I was in a faculty meeting the other day, just as an aside, and one of the bright—very bright—MIT graduate faculty members in the health care administration program at Ohio State University said, "I think our people are not learning enough about the policies, and we're doing too much trade school training." And I guess I stuck my foot in my mouth. I said, "That may be true, but I can't see these young people going into a health care management situation and making a living at defining what policy is and developing policy. Somebody has to do the work." So there is a division in thinking on that. I appreciate your comments.

# HAHN:

Well, I think management's the name of the game. To manage, it's great to have a philosophy that directs that management approach, but I don't think that trained philosophers are necessary to train managers. I'm disappointed that I think our students graduating today do not have the feel toward the hospital that

previously was expected of students. Nor do they have the desire to be that kind of a member of the team. You see them going into pharmaceutical companies and with insurance companies and with government and not with institutional management.

### NEWKIRK:

And going to work for Coca-Cola, United Airlines, running this, a large health care benefit program. So that we are scattering certainly wider than these programs used to in the old days.

### HAHN:

But if we're doing that, who's training the managers?

NEWKIRK:

Good question.

# HAHN:

The managers are trained to come out in these administration management programs, or just schools of management, without the health care background. Then they miss the other side of it. They need to have the orientation to health care as well as orientation to management. So today, you really need both, and to do one without the other is a grave mistake, in my opinion.

# **NEWKIRK:**

Jack, on the subject again of education, more than half of the graduate students now in these programs are women. Women are certainly taking a rightful place in health care management. What do you think of this movement?

## HAHN:

Well, I think that the hospitals have always had a high percentage of female employment and that female employment at the management level, or even the supervisory level, like I was saying back in 1953, specific training was missing. I think it's great that we're educating women now to do the things that they always have been expected to do and now some additional things. But we must remember that when I came into the field in '48, most of the administrators of smaller hospitals and even some of the larger hospitals were nurses or clergymen. They were untrained in management, and those of us that then were academically trained finally replaced them, or rather rapidly replaced them.

### NEWKIRK:

Thank you for those comments. A little bit easier one for a change of pace. Tell me a little bit about your honorary doctoral degrees.

# HAHN:

Well, academically, I was honored by my alma mater, University of Evansville, rather early in my career, back in 1958, with an honorary Doctor of Laws degree, and in 1970 by, also a Methodist institution, DePauw University, also located in Indiana, with a Doctor of Laws degree.

# NEWKIRK:

You never used the PhD appendage to your name. I presume that's because they were honorary degrees. Is that right?

## HAHN:

That's correct. It's not a PhD.

### NEWKIRK:

Well, of course, but you know some people do use those designations.

### HAHN:

LL.D. Excuse me. It's an LL.D.

# **NEWKIRK:**

I see. Okay. You must have had superb medical staff relations to last as long as you did in a huge institution—teaching institution. Statistics show that most of the failures of chief executives now are deeply rooted in a lack of understanding of the medical staff relations. Sometimes they're understood, but the person doesn't handle them well. Do you have anything that you could tell me about that?

#### HAHN:

Yes, I'd like to relate a little bit of that. Historically, when I went to Methodist Hospital in Indiana, in Indianapolis, it was a large institution, as we indicated, but didn't have the prestige in relationship to its size. I felt it didn't have it, because it had not developed its graduate medical programs to the degree that is expected in a larger institution, nor was it related to a medical school located very nearby in any undergraduate medical education. Over the years, one of my major goals and efforts was in the quality development and expansion in the Methodist Hospital of its role in medical education. So one of my

major objectives was to see that the program of Methodist Hospital in both undergraduate and graduate medical education was expanded considerably and also in quality as well as in size.

Of course, that could not be done without a lot of relationships with the medical staff. The medical staff itself had to want to do that. I must admit that many of the staff felt it was just better off for the hospital to be like it had always been and that's why they came there. They didn't want to get involved in that education stuff. But we also had a group of leaders who recognized that teaching hospitals did have more prestige and often had that prestige because they were doing a more improved job over what the nonteaching hospital was doing. Certainly entering into programs in a rapidly changing field technologically. I served Methodist Hospital, and, while it did not receive the total support of the medical staff, it received it in a majority of the leadership of the staff.

Methodist Hospital grew from 550 beds to 1,140 beds during my tenure. We had six major construction programs and particularly enjoyed participating in their planning, construction, and furnishing. I was also proud of our outreach programs, including the development and continuing operation of three large neighborhood health centers. We were truly a community hospital, public health as well as acute care oriented.

### NEWKIRK:

Jack, you have described a way to survive the wars of medical staff for many, many years. How about the board of trustees? Don't the same kinds of things apply to the board?

Somewhat differently, I would think. In Fremont, it was a small community. The service population was a little over 40,000, and we had, the leaders of that community were the members of a relatively small board of 15 people, and I was able to have an intimate relationship with most of them individually at an early stage, and I also had the opportunity of often presenting my goals, or the goals of the hospital, to them in advance of meetings. So usually, before going into a meeting, I had the knowledge of what was to be proposed by a number of the leaders of the board and their support. It was a relatively simple process to get them to adopt and support those programs.

In Indianapolis, it was a somewhat different situation. We had a large board that was in a major proportion elected by the church, but then a smaller executive committee consisting of 15, which had some who were church-related and some who were primarily leaders of the community. It was a good board when I arrived in 1953 but was aging, and I could see that strong replacements needed to be made in the relatively near future. I had the approach that a strong board was the best thing for the hospital, the best thing in relationship to the medical staff, and certainly the best thing in relationship to the community. So I certainly will admit to

playing politics in board appointments, and the same thing in medical appointments and medical leadership, but in the board those replacements needed to be brought on.

I would often suggest to the nominating committee, of which I was a member, bringing on some of the young leading executives, number twos in their major organizations, who were soon going to be advancing in the position of the CEO. And we were able to elect a number of those who later became, in just a few years, key community executives and key executives in their organizations. That had one problem connected with it. While they were all very bright and could easily see the programs that were being suggested and developed, they were also very competitive people, and as individuals often tried to show to their young counterparts across the board table that they were the smartest executives sitting there, and one of the best ways that they, in fact, one of the only ways that they had of proving that was to challenge my proposals to that board and sometimes show their different approaches. So often I had to compete with those board members who I had supported in bringing on.

In the long run, it was good for the hospital, but it was also not the easiest board to serve. But I would do it again and recommend to anyone that a strong board is certainly the best board and not a board where the administration can have in the palm of its hand.

## NEWKIRK:

HAHN:

You've seen it done both ways, and, I guess, those who are real leaders will accept that challenge and get the best people on the board, and those who just want to float along to protect their jobs will go the other way. Is that right?

Yes. Mine were two different situations—different size community, different size hospital. But I've seen it also in the large hospital where the chief executive has tried to lower the potential of the board or the input of the board, and I think that strong input is necessary if strong support in the final round is going to be received.

# **NEWKIRK:**

Are there any other tips that you could give people who may read this, or to medical staff relations? These are, again, the most important things, because the top reason for failure today, and it seems as though there are more failures and more turnover, more people get fired, and these are the things that are usually at the root of these problems.

## HAHN:

Well, I think that the CEO should have the respect of the board but try not to be bigger than the board. When the board feels the CEO thinks that it's his hospital and not theirs, I think he's going to have trouble some time in the near future.

## **NEWKIRK:**

If we could just get that out on a billboard somewhere, we'd save a lot of jobs. You mentioned very briefly the subject of rate review, and we talked about the things that were accomplished by you during your career. Would you like to talk some more about rate review, because Indiana of course was sort of the cradle of rate review?

#### HAHN:

Well, Indiana had, in my early years in the hospital, a good relationship with state government, good relations with the insurance industry, particularly with Blue Cross, but I could see the flag of warning being raised in a number of places that what are they, hospitals, doing, and rates are going up, even in the '50s and what are we going to do about them? What are we going to And I could see that the legislature was do to control them? asking questions, and the insurance industry was asking questions. At that time, Everett Johnson was the president of the Indiana Hospital Association, and he got a small group of us who were in the leading hospitals-very small group of five or six-plus the chief executive of Blue Cross to have a retreat and discuss what we hospitals would need to do to keep our somewhat independence and still be responsible to the community. We felt we had that responsibility to our community boards, but that we needed to show it to the community at large and to the state legislature.

We finally came to the conclusion that while our rates, our hospital charges were controlled by a budget, and controlled often

by a budget and by a final action of the board, that that needed to be demonstrated to the community that there was that kind of a review. So it had to be some kind of external organization looking at us. We didn't feel that that should be a government-related organization, but if we didn't do something about it ourselves, that would happen. And we had such a good relationship with Blue Cross that we were concerned if we asked Blue Cross to do it that it might ruin that relationship. Finally, we decided that that was the best place that they can put that kind of community relationship.

Indiana had a large Blue Cross plan, representing a large percentage of its population. So we asked the Blue Cross board to appoint a committee consisting of institutional representatives and representatives of the community or state at large to review hospital rates on a regular basis. Very shortly thereafter, that review came up any time a hospital wanted to increase its rates. It had to submit its proposal to that Blue Cross rate review board, and, because it first had the review of the hospital board, it had had a good look-see and it came to that committee, and for the most part, that committee could recognize that the bulk had been put into that rate process, rate development process, and went along with those proposals and approved the rates. Occasionally it didn't, and then it sent it back to the board to look at its proposal again. And before it would pay that institution on its proposed rates, the board had to come up with a new proposal or an adequate explanation to their reasoning in making the increase.

This process became well known to the public at large, particularly industries that purchased our service. We had union and industry representation on that review committee, and that committee became accepted as a good public review of hospitals.

An interesting development of that was when hospital planning became considered essential, it was hard for communities to set up hospital planning boards. Hospitals fought it for the most part, medical staffs fought it, hospital boards fought it, and we sat down with the rate review committee and said we think planning is a good essential for a rate review process, and we need reasons for rate changes. And so when a hospital had a capital program with the capital funding included in the rate structure, the question asked was, "What has your planning committee said about it?" And the hospital would say, "What planning committee?" And they said, "Well, don't you have a community planning committee?" don't have an area planning committee." We said, "Well, go back and start one and have them look at your capital needs, and then we'll take another look at them." And so we got hospital planning started in Indiana at an early stage purely because the rate review process forced that planning to be initiated.

### **NEWKIRK:**

I'd like to say, for the record, Jack, something that you know, of course, and that is that Indiana has for years and years—decades—been the envy of the country in regard to relationships with the community, the industries who were paying the bills, to labor, and everyone else involved.

### HAHN:

We had the philosophy that had to start with the hospitals themselves. If you didn't start it, somebody else would. And if you wanted to take the leadership role in the direction it went, you had to be the initiator of it. Don't sit back there and wait for somebody to ask you. You get out there and take in—give them some support that doesn't require the ax. And it worked.

## **NEWKIRK:**

Well, it was never really an adversarial relationship, and, I don't know, I think it's probably true still today. It's not been an adversarial relationship between the Blues or the payers, the industry, labor, and the hospitals.

#### HAHN:

Well, it doesn't exist today in Indiana. We had a change in Blue Cross leadership at the executive level particularly, and then a change in a board that didn't have the strength of the previous boards, and we had to devise a state planning in which I played a major part in supporting and trying to keep alive, but both of those went by the boards in recent years. So that success that was really lived for a good 20 years plus is no longer there.

### NEWKIRK:

A victim of the times, you might say.

# HAHN:

Government also said, "We don't want you to work together, we want you to compete. That's the way to cut costs." And we thought exactly the opposite. We thought cooperation was the way to keep

costs down and have proved so by the incorporation of hospital systems today. And we still think we were right.

### NEWKIRK:

Well, I think that pendulum will swing back in another direction—the so-called competitive model does not work. You know that, we all know it, but it was an expensive trial.

This is Indianapolis, Indiana. The 500 race and everything that goes with it is certainly prominent in this town. Your hospital and you personally have been very, very involved in this big production. Could you tell us a little bit about that just as a matter of interest. I'm sure this'll never get in the record otherwise.

### HAHN:

From the very early stages of the race, to my understanding, there was a medical service provided, and Methodist Hospital was the base in relationships to develop that medical service. That was in effect at the time of my arrival in 1953. When I found out what the relationship of the hospital was to the race, I said Indianapolis has one of its great points of its reputation as the race. If Methodist Hospital is going to continue to develop its reputation, it needs to continue that relationship, and it continues to this day to be the medical support service of a large medical program conducted during the entire month of May at the 500-Mile Speedway.

The Speedway operates a hospital facility—an outpatient hospital facility—that includes x-ray, an operating room for

emergency stations, a large number of over 20 recovery beds, and there's some 11 first-aid stations throughout the grounds of the Speedway of which my wife Barbara served for many years as chief nurse. They are operated during the four days of qualifications trials for the race itself, and very definitely during the race, along with the hospital, when there are over 400,000 people at the track. You don't just have accidents on the track; you have everything that can happen in a community of 400,000 people (the number of people who attend the race).

## NEWKIRK:

Babies delivered, probably all kinds of things.

# HAHN:

That's correct.

# NEWKIRK:

That's very interesting. It's a dangerous sport. There are more safety features in cars, but I imagine that the medical people on the scene certainly still get a lot of work.

# HAHN:

Methodist is just about four miles east of the Speedway, so one of the things during my administration that we developed was an emergency helicopter ambulance service, which has now grown into two operating helicopters. There's only one other such service in the state of Indiana, and we're really the major trauma center because of that kind of a service. We service other hospitals. We pick up and deliver to other hospitals through Methodist's helicopters, which are manned by emergency resident physicians and

nurses. That was a major factor that was developed at the Speedway.

But early in the '70s, we became one of the first hospitals in the country to have the air ambulance service. A couple of my trustees who felt when I encouraged—before we even had the helicopter—to build a helicopter landing on top of the hospital, called it Hahn's folly. In fact, while I had a vote on the board, I seldom exercised it. But when it came to building that heliport, I knew we had to put it up while a building addition was going up, and I remember casting the deciding ballot in building that heliport. I'm sure they don't regret it to this day, and they more than doubled the helicopter service. The hospital is a true tertiary care center.

# NEWKIRK:

Yet another instance where your leadership was way, way out front early on. Good place to use that vote, I think.

## HAHN:

Well, I had some very good associates. Some people call them assistants; I prefer to call them associates. And I'd often give them major projects to present to the board so it became not just my project, but the project of the administration and one of them presented it, and then I could speak to it as a board member rather than as an administrator. I owe a great deal of my administrative success to the strength of, particularly, the young administrative staff that I had supporting me. I am very proud of the young

administrators who grew in my administration, and I enjoyed my part in it.

#### NEWKIRK:

Well, you sure sent a lot of them out into the field to be successes, that's for sure. So you must have done a lot right. Jack, as we wind this interview down, give me some recollections, just personal, if you will, on some names that have been very, very influential in your career. Now we've talked about Albert Hahn, but just off the top of your head, how would you describe your father?

### HAHN:

My father was the most optimistic person I have ever known. When someone would come to him with a suggestion, he would sit there and think for a minute, and he would say, "We can do it." I almost never heard him say that we can't do that. It was always we can do it. He was very optimistic that they could. As I indicated earlier, he had lost his sight early in his career, but you would not know it by working with him in his physical appearance. He could look and converse with people just like everyone else, and he had a very strong personality in that way.

#### NEWKIRK:

Ed Crosby?

## HAHN:

Dr. Crosby was basically a person who was somewhat hard to know. It was hard originally to get acquainted with Dr. Crosby, but when you did, you did become a great supporter of him. He was

basically a very shy person and stayed away from a lot of public appearance that persons in his position would normally have. I got to appreciate his tremendous administrative ability as I worked with him. He had the job under control and, as I remember, Ray Brown, a well-respected predecessor and president of the Association, determined that Ed Crosby was the best association executive in the country.

#### **NEWKIRK:**

Mark Berke.

#### HAHN:

Mark Berke, who was my predecessor, as I indicated, in the presidency of the AHA, and Mark was an extremely articulate man with a very fine vocabulary. He was of British descent. In fact, his academic education was entirely in England, a graduate of the University of London. Mark was an excellent speaker, an excellent leader, a good board chairman, extremely likable person, and one only had to be with Mark a few minutes to have a very high respect for his intellectual capabilities.

#### NEWKIRK:

Malcolm MacEachern.

## HAHN:

Dr. Mac, of course, was the instigator of the accreditation process in hospitals. He was a workaholic, he was a person who was dedicated to his students, once he started the Northwestern program, and he was a person who could not say no to any approach for his participation and leadership talent. He was asked for

innumerable relationships of that kind and did them all with a great degree of capability.

#### NEWKIRK:

I did an interview with Dr. Everett Johnson, who is a very good friend of yours, of course, and he stated that he was asked to rewrite MacEachern's textbook on health care administration, and he said he went through the book, and you and I know the thing weighs about 10 pounds. He said he went through it very carefully and wrote the publisher back and said there's no way you can redo that book. It's like the Bible. An interesting comment.

#### HAHN:

I think Dr. Mac would want to give credit to his administrative assistant Laura Jackson for the editing and writing of that book. She played a very major role it. Also, she played a major role in the development of the program of hospital administration at Northwestern.

### **NEWKIRK:**

Did you know George Bugbee?

## HAHN:

I knew him as a role model. He was chief executive officer then and executive secretary of the AHA when I was a student and also serving Wesley Hospital in Chicago. He lectured to our courses. I had known his name through the family relationships. I became personally acquainted with George first as a student and later in my career to a greater degree. One of my three letters of

recommendation for my first chief administrative position in Fremont, Ohio, was written by George Bugbee.

### NEWKIRK:

I mentioned that George is still on the committee—the history committee of the AHA, and that committee, of course, sponsored this series of oral interviews. I see him fairly frequently, and I'll be sure to tell him that you send your best. Is there anything else that you would like to add to this interview?

I don't think so, Don, except that I appreciate your input in it and making it possible.

### **NEWKIRK:**

Well, then let me express our sincere thanks to you, Jack, for your contribution not only of this interview but to the field of health care management and policy. You've been a leader in the truest sense of accomplishment and respect, and we certainly do appreciate that. Again, thank you.

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