

HOSPITAL  
ADMINISTRATION  
ORAL HISTORY  
COLLECTION

---

Lewis E. Weeks Series

Maurice J. Norby

**MAURICE J. NORBY**

**In First Person: An Oral History**

**Lewis E. Weeks  
Editor**

**HOSPITAL ADMINISTRATION ORAL HISTORY COLLECTION  
Lewis E. Weeks Series**

**Produced in cooperation with**

**Library of the American Hospital Association  
Asa S. Bacon Memorial**

**Sponsored by  
American Hospital Association  
and  
Hospital Research and Educational Trust  
Chicago, Illinois**

**LIBRARY OF THE AMERICAN HOSPITAL ASSN.  
ASA S. BACON MEMORIAL  
840 North Dearborn Drive  
Chicago, Illinois 60611**

Copyright (c) 1983 by Lewis E. Weeks. All rights reserved.  
Manufactured in the United States of America

Lewis E. Weeks  
2601 Hawthorn Road  
Ann Arbor, Michigan 48104  
(313) 662-4298



*Maurice J. Norby*

Maurice J. Norby

## CHRONOLOGY

1908            Born Le Center, MN, May 21

1930            St. Olaf College, B.A.

1930-1936      High School teacher, science

1934            University of Minnesota, M.A.

1937-1938      Blue Cross Commission, Chicago

1939-1940      Blue Cross of Western Pennsylvania, Organizer, Director

1941-1945      Blue Cross Commission, Director of Research

1946-1948      Commission on Hospital Care, Associate Director

1948-1973      American Hospital Association

1953-1962      American Hospital Association, Deputy Director

1959-1964      American Hospital Association, Secretary

1964-1966      American Hospital Association, Director of the Western Office

1967-1973      American Hospital Association, Staff Consultant

## MEMBERSHIPS & AFFILIATIONS

American Hospital Association

Life Member

American Public Health Association

Member, 1950-1961

Commission on Hospital and Professional

Activities, Member of Board of Directors

1958-1962

Council for Democratic Action, Evanston,

Illinois, Member 1942-1946

Evanston Illinois Board of Education

Member, 1943-1948

Executives Club, Chicago

Member, 1955-1964

Hacienda Community Association

Member Board of Directors, 1968-1969

International Hospital Federation,

Member and Staff Consultant,

London, England, 1958-1962

National Association of Exhibit Managers

Member Board of Directors, 1959-1960

U.S. Department of Health, Education and Welfare

Advisory Committee, Member, 1958-1960

## AWARDS

American Collge of Hospital Administrators

Honorary Fellowship, 1958

American Hospital Association

Justin Ford Kimball Award, 1981

American Hospital Association

Trustees Award, 1965

Commission on Hospital and Professional Activities

Commendation Award, 1971

NORBY:

My parents were early on students at a small Lutheran college, St. Olaf College at Northfield, Minnesota at a time when it wasn't a common that all children went on to college. My father's father was a poor Lutheran minister, and my mother's father was a furniture dealer in Northfield, Minnesota. My parents graduated--Dad in 1904 and mother in 1906. I came along in 1908 when Dad was teaching and was principal of the high school at the home town of the Green Giant Packing Company, the LeSueur Center it was called in those days, now it is called Le Center, Minnesota. He continued as high school superintendent and principal for a number of years as I was going through school. We moved from one small town to another in Minnesota, gradually getting bigger, finally to Fergus Falls in about 1914. Then he went to St. Paul as school inspector for the State Department of Education. He remained at this assignment for two years and then moved back to Fergus Falls to become Vice President of the Scandia State Bank where he stayed for about three years.

Then he moved to Minneapolis where he became--and why I'll never know--a hospital superintendent. He told me that the president of the board of the Fairview Hospital met him at the train when he came into town, took him to the hospital, opened the middle drawer of his desk to be and said, "Mr. Norby, there is your job!"



The desk drawer was full of unpaid bills.

This was about 1922. I was enrolled in Central High School in Minneapolis. Upon graduation I went to St. Olaf College. I was the first student with both parents who were graduates of St. Olaf. I ran the gamut of usual pranks in that school. I was not a conformist. In fact, I was in the dean's office three times the first year with a penalty of wearing my green cap longer than any other student.\* Finally at the end of the year we had a program of fund at graduation time for seniors in which there was breaking of the laws and rules--very much. For example, St. Olaf College did not allow students to go to dances. The penalty was expulsion from school if they were caught going to a dance.

WEEKS:

Very strict in those days.

NORBY:

Very strict.

WEEKS:

Did you take teachers training there?

NORBY:

There was a question whether I was going back at the school after my freshman year because my father had told me once when I had chosen to live off campus at a private home my sophomore year that he was unhappy with me and that he was telling me what to do as long as he was paying the bills. So when

---

\*Freshmen at that time were required to wear little skull caps or beanies until they demonstrated their maturity, or at least were accepted by older students.

I was called to the dean's office the week after school closed my freshman year for a review of my department with my father and the college president they laid down restrictions I felt I couldn't live with during my sophomore year. So I suggested that I not go to school any more, that I get a job and pay my own bills, and so be on my own. There was compromise, I did go back to school at St. Olaf the next school year.

I was planning on a medical education, at the University of Minnesota. I took pre-medic work in my four years at St. Olaf. As a backstop I took the requirements for obtaining a teaching certificate in Minnesota because Dad had told me that I would have to stay out at least a year and earn money to finance my way through medical school. He had six children--I was the oldest--and at the low salary he was getting at the hospital he could not afford to provide postgraduate education to his kids. He thought he owed all of them a bachelor of arts college education. I was planning to spend a couple of years teaching and then return to medical school. I graduated in 1930. The economy was not quite as bad as it got the next year. During my senior year I introduced an insurance man to my fellow students. For each thousand he sold I got five dollars. Quite a bit of money, some seven hundred dollars.

WEEKS:

Then you went into teaching...

NORBY:

I got a job after I left school. It was fairly high pay for that time, \$177 a month for nine months, teaching in Milaca, Minnesota. During that year I met a girl who was a teacher there whom I greatly admired and I couldn't stand the thought of losing her to someone else. So at the end of that year

we had decided that we would get married. That came about during the summer of 1931. I continued teaching in Milaca another year and then I went up to International Falls at a lower salary, about \$135. On Saturdays I had driven from Milaca to the University of Minnesota, taking courses there toward my master's degree in school administration. I did that for two years and got enough credits but I still had to write my dissertation. That was on testing methods. I finished that by experimenting on my kids in class in International Falls with various kinds of tests. One reason for my move was that the superintendent at Milaca was not very pleased with my using the children for guinea pigs.

WEEKS:

How did you get acquainted with van Steenwyk? Through your father?

NORBY:

From International Falls I went to Fergus Falls to teach science there. At this time Dad was at Fairview Hospital in Minneapolis. Dad had gone to an AHA annual convention, and he came home from the session...

WEEKS:

Was this the session at which Kimball's paper was read?\*

NORBY:

Yes.

WEEKS:

---

\*The Kimball speech describing the experiment in prepayment of hospital care at Baylor University Hospital in Dallas was delivered at the AHA convention in Toronto in 1931 (read by Asa Bacon). The experiment in Dallas began in 1929.

Was that 1932?

NORBY:

I am not quite sure whether it was 1932 or '34. I think it was at the AHA convention in 1932. Dad came home from that meeting enthused about a hospital prepayment program. The country was in a deep economic depression. While history records the high motives and the altruism of hospital administrators finding ways for the public to pay their bills, I am convinced that behind that support for group hospitalization was the realization that the hospitals were going to get their bills paid.

WEEKS:

It wasn't just for the benefit of the patients.

NORBY:

Not so much.

WEEKS:

That's a good point. I had a question about that later on. I am glad you volunteered it.

NORBY:

It's my impression. You didn't hear that said. The promotion of group hospitalization came during the time of deep depression and great financial problems in hospitals.

WEEKS:

Philanthropy was drying up.

NORBY:

Yes, it was. They twisted the purpose of group hospitalization as a means for the patients to pay their bills. That's true, it helped the patients, but basically it was that the hospitals got their bills paid. Anyway, that's my

feelings. Dad didn't express it that way when he came back from the convention. I was then teaching in Fergus Falls. I would visit home once in a while. He was very intrigued with this development. Other hospital people took it home too. One being the Hospital Council of Essex County, New Jersey. That got started very soon; that sparked the development of the New York City Blue Cross plan. It wasn't known as Blue Cross in those days, it was called group hospitalization.

Dad worked diligently in St. Paul and Minneapolis to get the hospitals behind a program of this kind. They organized one in which the hospitals contracted with each other to provide service. Hospital A contracted with Hospital B, and Hospital A and Hospital B contracted with Hospital C. A, B and C contracted with D. They had interhospital agency contracts. That contract called for those hospitals collectively to guarantee performance under a prepayment plan for hospital care. In those days they were charging 75¢ a month for an individual. If those 75¢ payments didn't stretch far enough to pay the bill, then the hospital was required to accept what money the plan had to pay for the services the plan subscribers used. Guarantee it, in fact. All the hospitals in Minneapolis and St. Paul were partners in this program.

WEEKS:

Was your father instrumental in getting this started?

NORBY:

He was very influential in getting it started. He was one of the key movers in it. He was, I think, one of the first officers.

There was a fellow by the name of van Steenwyk...you want a little bit about him too?

WEEKS:

Yes.

NORBY:

E. A. van Steenwyk had gone to the University of Minnesota, married a fine young girl, and gravitated to Chicago somehow. He borrowed money to build houses. He became known in the West Side of Chicago as the "Boy Builder." He was a very young fellow--in his twenties, high twenties. The way he did that, he told me, he would find someone who wanted a house built and could get money. van Steenwyk would dig the basement and charge the would-be owner the amount that it cost to dig that basement plus 10% or some much figure. Then he would frame up the first floor, and collect from him again for work completed to that point--and so on until the house was completed. van Steenwyk had little money, he was operating on a shoestring. He kept on pyramiding until he had five and ten and fifty houses being built that way, all at one time. That was before the Depression. Then came the Depression. Those folks who had contracted to have the basement hole dug in the ground couldn't make payments, and Van couldn't follow through. He had borrowed money to keep himself liquid, to keep ahead of the game. So he had many holes in the ground with the foundations in, when he had to give up. He didn't go bankrupt, he just quit. He was even when he quit but he had no money.

He came back to Minneapolis and got a job with a printer. He sorted the type, a menial job. They were printing primarily the Minnesota Medical Journal for the medical society. He got interested, he got to know them and they got him doing some writing for the journal.

Then he heard about this group hospitalization development.

WEEKS:

It was all working before he got into it?

NORBY:

Dad and the committee were working on its establishment and obtaining operating capital pledges from hospitals, somehow.

The organizing committee got interested in Van. He was a very persuasive fellow and a good thinker, and honest. They hired him and one girl in one room in the Globe Building in St. Paul to put the plan in operation. The public press got interested. There was much publicity about this new way to pay hospital bills. The radio gave him free time.

WEEKS:

Did he take over the management of the plan?

NORBY:

He took over the management, he and one girl assistant, van Steenwyk would go to the radio broadcasting studio which was a block away from the Globe Building--and he would make his pitch to the public and then run back to the office to answer the phone to tell them how to get the hospital insurance. Subsequently he made a promotional movie. The plan grew fairly slowly.

In about 1936 in the summer I had obtained my master's degree at Minnesota and was working on my doctorate. I matriculated for summer school. I went to the bank overlooking the Mississippi River and sat there thinking--I have my master's, my doctorate is practically done (I didn't have my dissertation) and I am being paid \$107 a month. I had earned more than that because I had written the state board high school examinations in general science and in addition to a small author's fee I was given the privilege of correcting papers in the summer for a dollar an hour. I traded my privilege--my wife corrected the papers and I went to school. I sat on the river bank thinking

that this didn't make sense. I had to be worth more than this. I went back to the business office of the University and--I don't know how you would say it--unmatriculated. I said that I had decided not to go to school and wanted my registration money back.

Then I went to see Mr. van Steenwyk. My Dad had told me much about him but I had never met him. I asked him for a job. He said he was sorry, he would like to give me something to do, but he couldn't put me on the regular payroll, because my father was on the board, or president or something. but he did give me a job of selling subscriptions to groups that his regular salesman had turned in as impossible to enroll.

Van said, "You can take those groups and try to sell them."

Blue Cross in those days was very sticky about not paying sales commissions. They didn't want to support salesmen who forced sales. They wanted low-keyed salesmen so they paid them salaries. Van broke the rule with me a bit because he said, "With your Dad and all I can't pay you a salary doing nothing, but you can go out and try to sell these dead accounts if you want to and I will pay you in proportion to your success.

So I did that during the summer and made an acceptable amount of money. It was a high-key operation, which Van didn't want. For example, the owner of the Minneapolis ball team, Walter Seeger had a big manufacturing plant on the border of Minneapolis-St. Paul. He made bodies for refrigerators. They called it "Body by Seeger." He was having union trouble. Management had been approached and had not permitted enrollment. The employees wanted it.

So I went to Seeger and said, "If you don't allow these folks to enroll with payroll deductions"--that's what we wanted, management resisted that greatly--"we will be forced to take persuasive action."



WEEKS:

That wouldn't have cost him anything, would it?

NORBY:

No. Blue Cross wouldn't enroll without payroll deduction, and he wouldn't allow it.

So, I said, "If you don't allow payroll deduction I am hiring a calliope and I am going to run it up and down the street here with big banners on the side reading Walter Seeger is a son of a bitch. With the labor trouble you have now, it's going to make it worse."

I got Walter Seeger enrolled and this was a big feather in my cap. Van's hotshot salesman hadn't been able to get it. It was a group of about 400 people. A great, big group. I was okay with Walter Seeger. He gave me season tickets in a box in the ball park. In his own box, I should say.

Then I went back to teach school in the fall. There was a little town of Wadena, Minnesota which was fairly near Fergus Falls, about thirty or forty miles away. van Steenwyk was a pioneer in the field. Everybody had been working in metropolitan areas up to that time. Van knew I was in Fergus Falls, near this small town. He asked me to help the treasurer of the Minnesota-St. Paul Prepayment Plan, who was a lawyer and a hospital representative to see if we could get interest in enrollment in that town. He called it rural enrollment.

I went to the town and got to the chamber of commerce and got them to agree to promote a big town meeting for a certain night. van Steenwyk had made a motion picture called "How Pennies and Seconds Count" showing an ambulance picking up somebody and rushing them to the hospital and going through all the rigmarole that would be allowed to be shown (the operating

room and a little blood)--all black and white. It was a good film. We showed that and Abbott Fletcher, the treasurer of "Blue Cross" made a sales speech. Then I made a speech outlining procedure. I asked employers to take enough enrollment cards to cover their employees--a grocery store, a hardware store, a barber shop where there were two or three employees and to find out how many of their people would enroll in this program if it was available to them. We said we needed their signatures on the enrollment cards in the event we decided to come in. You see we weren't privileged by the Hospital Council of Minneapolis-St. Paul to enroll outside the city boundaries. They said this plan should be strictly localized to the metropolitan area.

WEEKS:

In this small town were you offering service in Minneapolis-St. Paul?

NORBY:

No, there was a hospital in this small town about fifty miles west of Minneapolis.

WEEKS:

This was just for their own hospital?

NORBY:

No. They would be a member of the whole group, the Minnesota Hospital Service Association.

We told them to sign these cards and that I would be back the following week to collect them. They should turn their cards into the chamber of commerce and then we would decide whether we wanted to offer the service in Wadena. The reason Van wanted to do this so fast was that the state hospital association was meeting in Rochester, Minnesota the following week. He wanted a report on rural enrollment at that meeting. When I picked up the enrollment

cards in Wadena and totalled the workers and their dependents who signed up we had 90 percent of that town enrolled, in one meeting--90 percent of the town. It was a little town of 3,000 or 4,000 people. This was really something. This showed that the rural people wanted group hospitalization protection. I went to the state hospital association meeting in Rochester and was on the program to report our experience in Wadena. I really was enthusiastic. I was just a kid then, just six years out of college. There was a lot of discussion after the presentation. The state hospital association voted not to permit group hospitalization to be active outside the city limits of Minneapolis-St. Paul. They were afraid of allowing the Mayos and the hospitals of Rochester into the plan for fear that everyone in the state would run to the Mayos for their hospitalization. So that ended rural enrollment for the foreseeable future.

I went to work for Van that next summer again. That was about 1936.

Then at Christmas 1937 I got a telephone call from Rufus Rorem in Chicago. I was teaching science in Fergus Falls. I had given up teaching band which I had taught in other places. I was a French horn player. I used to play in pop concerts with the Minneapolis Symphony in the summertime when I was going to college.

Rufus wanted me to come down and see him. It was about Christmas time.

WEEKS:

Had you met him before?

NORBY:

Never had. I didn't know who he was or anything about him.

WEEKS:

He knew Van though?

NORBY:

He knew Van. He knew van Steenwyk. Van had told him, I found out later, about this rural enrollment experience I had had. Rufus' interest at that moment was that he was establishing what I would call a national promotional program for this idea of group hospitalization. He and Dr. Michael Davis had been working together--Rufus was really working for Michael--at the Rosenwald Foundation had been promoting better health for Negroes and poor whites in the South.

The American Medical Association acted, I think, on the request of their local state medical societies in the South to get this thing stopped. They didn't want all this emphasis on the health care of the indigent and colored in the South. The Rosenwald Foundation then had a hot potato. It decided not to fight the American Medical Association. They could stop their health promotional program but they thought they owed something to these two staff gentlemen. So they gave Michael Davis \$150,000 to pursue some program that was acceptable to them and for whom he could get a sponsor. They did the same for Rufus Rorem. They gave him \$100,000. Rufus chose the idea of promoting this development of group hospitalization in its various forms. There were several different forms. One was the one that developed at Baylor University Hospital. That was the only hospital in Dallas that was participating through their superintendment of schools, Dr. Justin Kimball Ford who wanted to help his teachers find a way to pay their bills.

Another was the Ross-Loos Clinic in Los Angeles where a group of doctors got together and pooled their knowledge and pooled their revenues that they would get from dispensing that knowledge. It became sort of a group practice prepayment. There were modifications of that. Some industries themselves had

single industry programs.

So, Rufus, I have the feeling, because of the nature of information he had collected early in order to promote the idea of prepaid complete health care had focused on community group prepayment hospitalization programs which we ultimately developed into Blue Cross.

WEEKS:

His had been more the group practice of medicine originally, hadn't it?

NORBY:

It involved that, the group practice of medicine. As I said, I do not think he had focused on hospitalization only.

That money had been given to him provided he obtained an acceptable sponsor. So he was searching to find where--what specific program he should have. He decided that he should start out limited to prepaid hospital care. He got the American Hospital Association Board of Directors to be his sponsor for the promotion of this idea. It wasn't absolutely new then because that was 1937 and it was 1931 when it was first presented to the American Hospital Association at their annual convention.

WEEKS:

Minnesota had started before this, hadn't it?

NORBY:

Minnesota had started before Rufus Rorem opened his office. I think it was second, the one in Essex County, New Jersey was the first.

WEEKS:

Was that by Van dyk?

NORBY:

That was Frank Van Dyk. He came from the Hospital Council of Essex

County. He was the administrator of the hospital council. He moved over into this prepayment plan. It was the council that actually promoted it there.

Rufus then had to open an office. He had been talking to van Steenwyk. Van was a very smart fellow, he was good, a brainy guy. He and Rufus had been talking and Van had told him about this good experience we had had in rural enrollment out there. There had been no rural enrollment in the country; it had all been in metropolitan areas. So that is what Rufus presumably asked to talk to me about. I had been on the ground and I could tell him exactly what the experience was.

So he said, "Come to Chicago to talk with me between Christmas and New Year." I went to see Rufus. I had never been to Chicago. A train ride was an exciting experience in those days.

Rufus had office space made available to him by the American Hospital Association in a building which had originally been a Latin grammar school. There was the gymnasium with the running track around it, miniature size, two story. Rufus was up on the third floor, in the back with open space, not large, maybe fifty feet wide and sixty feet long. On one side there were two small offices. He had a desk and one chair in one of these rooms; he had to borrow another chair when I came to talk with him. He wanted me to tell him about rural enrollment in Minnesota. He was intrigued with my story. My train was leaving around four o'clock to go back to Minnesota. After our discussion in the morning--I got in there early on an overnight train--he said, "Would you like to go down and meet a fellow by the name of Perry Adelman who is getting ready to offer a group hospitalization plan in Chicago. I would kind of like to know what he is up to. He has been after me to come and talk with him and give him what I know. Now you have got this

rural enrollment insight. Maybe we had better go downtown and talk to him."

We went. He was the promotion type if there ever was one. What he did was record "The Star Spangled Banner" on one side of a phonograph record and his message about this group hospitalization plan on the other side. He went to the big music store in town and got a list of all the people who had purchased record players, real fine players, during the last few years and gave records to the Western Union for delivery and got them to agree that their boy would deliver a record to the person, the man to whom it was addressed, not to the woman or anyone else in the house. If he wasn't there, the boy was to come back until he found him. The man would play the record and hear the group hospitalization message. That was Adelman's promotional deal.

We talked with Perry. (Rufus and I had had lunch, at a drug store or some such place.) We spent a couple of hours with Perry. He had a two-room office. He was in an inside room and his secretary was in an outer room. Hospitals had contributed money to establish the program.

To get up to his office we rode in one of those elevator cages with all the ironwork, you know. It was jerky and started down slowly. After leaving Mr. Adelman's office and while riding in the elevator to the ground floor, Rufus said, "Mr. Norby, I would like to have you come and work for me."

I never had an idea that this would be happening.

He said, "Yes, come and work for me."

NORB Y:

"What do you want me to do?"

"Set up my office. I have got to get some furniture and find another girl. Set up my files."

I never had any experience in that kind of work. Why he asked me I'll never know.

He said, "Besides, I'll pay you double what you are getting teaching school."

He was safe with that offer because he knew that teachers' salaries were very low. He didn't know exactly what it was. It was very little. I was getting \$107 per month, so with him I would get \$214 per month.

We got down to the ground floor. It was a fairly cold day outside. We stood by one of those wall radiators under a window--it had a cover over it. We were leaning on that and nearly burned up. I didn't realize immediately what was happening, what this was. We talked a bit.

Finally, I said, "Okay, when do you want me?"

He said, "I'd like to have you start tomorrow."

I said, "I can't do that. I have to go home and get some clothes. All I have here is what I have on. I have to tell my superintendent. I have to make some arrangements with him."

He said, "Okay, can you come on the second of January?"

WEEKS:

This was Christmas time?

NORBY:

This was the 27th I think I was down there. No, by golly, it was the 30th, because I got home the morning of the first. I know that because my wife had been out at a party with friends there. She hadn't gotten home much before I arrived. She came home with only one shoe. They had a lot of fun at this party. Someone had taken the girls' shoes and thrown them out in the snow. My wife could find only one of hers. Anyway that was a New Year's Eve



party. I called my wife from Chicago and said that I had just accepted a new job in Chicago. I told her that Rufus Rorem had said that he needed someone to set up his office and that it would take at least a month to do it.

She said, "What in the world are you going to do after that?"

I said, "He said something would turn up, and I am sure it will. He mentioned van Steenwyk and said that he and Van get along real well."

By now my Dad had moved from Fairview Hospital to Columbia Hospital in Milwaukee, so he no longer would be a consideration in my employment by the Minnesota plan. Rufus as much as told me that he thought I could go back to Minnesota Blue Cross.

I went home then and just turned around and headed back to Chicago. In those days teachers were very easy to find. The superintendent had one coming soon after I left. My wife agreed to substitute for me in the interim. She knew very little science. I had to teach her how a doorbell operated because that was the next subject coming up in my general science class. In Chicago I lived in a boarding house near the office at 18 E. Division Street.

When the thirty days were up, Rufus said he needed me longer. Rufus was the kind of person who was very thoughtful but he didn't connect his thoughts in his discussion. He assumed you had jumped that barrier, because he was thinking through that. It was sort of minutia. He was very articulate.

While I was in my first such work experience with him starting in January 1938, he had a debate with Morris Fishbein, a very facile speaker. Morris was opposed to group hospitalization because he classified it as one form of socialized medicine. If you look at it, it was. Everybody was putting money into a pot to pay for hospital care. In those days the word "Communism" was brought into the discussion every once in a while.

WEEKS:

Fishbein was great on that, wasn't he? He was great on waving the red flag.

NORBY:

I attended a big public meeting where Rufus was agreeable to debate Fishbein on the stage. Fishbein used that red flag, Communistic kind of stuff. He also had a little boy planted in the audience, who, we found out later, was his grandson. He had him stand up in the back of the room, right near a microphone, and ask a question. It was one of those "Have you stopped beating your wife?" questions. It had definitely been planted with the boy. I was quite intrigued. I was wide-eyed watching Rufus. It was a very hostile atmosphere, because it was Fishbein's crowd--but Rufus won the day in his quiet, persuasive way.

I did stay with Rufus ninety days instead of thirty. I then went back with van Steenwyk as a full-time employee and worked for him doing odd jobs mainly in the administrative end of his office. I set up some procedures. Just common, ordinary sense as to how things should be--paper work and that kind of thing.

Pennsylvania had passed what they called an enabling act to govern the operation of group hospitalization plans. There was a fellow in Pittsburgh by the name of Abe Oseroff, administrator of Montefiore Hospital, who was very instrumental in obtaining approval of that legislative act. Prior to 1939 most state legislatures had not passed enabling legislation.

WEEKS:

This was the first then?

NORBY:

I am not sure; you raised a good question that I can't answer. It was early on.

WEEKS:

This enabled somebody to start one of these group hospitalizations without having as much reserve as an insurance company?

NORBY:

That's right. In Pennsylvania they were not even responsible to report to the insurance commission. I don't know how some of these state hospital associations got their legislatures to act as they did, because the legislature created a body responsible to nobody, and that body could develop tremendous liabilities through their contracts to provide services to subscribers. I can understand the Minnesota program, the interagency contract where all the assets of all the hospitals guaranteed the contract. But that wasn't true in Pennsylvania.

What happened then: the enabling act was passed and the hospital administrators in Pittsburgh were looking for a developer and administrator of a prepayment hospital plan. They invited van Steenwyk to come. He did not want to move from Minnesota so he said, "Why don't you look at my man Norby?"

So I went to Pittsburgh and was interviewed by an organizing committee of hospital administrators and trustees. I was still very young in chronological age but old in terms of experience with group hospital plans because this was a newly developing phenomenon. I started work in Pittsburgh in the fall of 1938--I think is the date.

WEEKS:

I have you down for '39.

NORBY:

I was born in 1908 so I was 31 years old. Relatively young kid.

The Pittsburgh hospitals had picked their board and had obtained financing. It wasn't a community fund but there was another fund in town that had given them, I think, \$30,000. Judge Wasson was one of the board members, Abe Oseroff, the promoter, was secretary of that board. There was the head of the Harbison-Walker Refractories, the president of Gulf Oil, an officer of the Mellon Bank, the president of U.S. Steel, and an officer of the Koppers Company. There were big names. Not only big names, but they demonstrated their abilities. I was interviewed by them but I was at complete advantage, total advantage, because they knew nothing about group hospitalization and they were intrigued with the idea. Anything they got was new information, so they thought I was the fountain of all knowledge in this endeavor.

WEEKS:

You had quite a lot of experience behind you.

NORBY:

Nobody had much experience and what I had was more than most. That was very little. Very little.

I went to work for them at what I thought was a pretty good salary. It was about \$4,000 a year. It was big money for anything like this. We set it up and worked on the plan of operation. I developed a very simple subscriber's contract. I wrote a contract on one page. In those days, the lawyers got to the early plan directors and put about four pages of "whereases" and all this kind of thing into the subscriber contracts.

Well, I put in a simple system of operation. I insisted that all subscriptions be paid by payroll deductions. We sold hard. At the end of the first year we had grown to 100,000 subscribers--the largest first year growth

of any plan. I had a rather difficult role, I felt at the time because I was working in the shadow of the person who had made the program possible, Mr. Oseroff. He was a very fine fellow, the superintendent of the Montefiore Hospital, and was older than I. I would say ten years older, and he was very forceful in all his presentations, in anything he did. He could speak very very well, express himself perfectly. I would get him to speak to hospital boards and big groups.

For example, I would pick him up at the hospital at noon if we were going to a luncheon meeting where he was going to speak.

He would say, "Okay, Maurice, you go down the street a block and a half and wait for me." He would organize his speech walking down the street that block and a half. Never a note or anything. He really could sell it. He was ruthless. Mr. Kauffman of Kauffman's Department Store, the biggest store in Pittsburgh, Oseroff put him on the spot so that man was just squirming. It was something similar to what I had done to Mr. Seeger's group. He told him he was going to advise his store employees that they could not have protection against hospital costs because their employer, Mr. Kauffman would not grant payroll deduction for payment of their subscriptions. It was that kind of thing he did. He was ruthless. We had a hundred thousand people enrolled the first year. That was five times as much as anyone else had done.

At the end of my first year in Pittsburgh, we had a baby. Ethel and I were married in 1931. We didn't have any children before this, by design, because I couldn't afford it, being a school teacher and financing additional education.

I went to Cleveland in 1940 to the American Hospital Association meeting. By then the hospital association had adopted group hospitalization. They were

forced to be articulate in their support because the American Medical Association was so articulate in opposing it. At the sectional meeting on the program for directors of group hospitalization plans was a speech scheduled and a policy proposal for presentation to establish a public education program to promote the idea of group hospitalization. This was Rufus Rorem's function under the Julius Rosenwald grant. This was his main job. Before that policy could be debated word came that the New York group hospitalization plan was broke and that there was big public hue and cry about possible mismanagement. The papers said the plan was just a hoax. van Steenwyk said, "We don't need a public education program, we need a self-information program. We have got to know what is going on in our own plans and programs."

So they agreed that they would put in money into a common fund and hire somebody who could run a program that would analyze their activities and give them facts and figures about how they were doing, statistically and actuarially and financially.

I was ready to go home at the end of the convention. My Dad was there at that meeting and I had him talked into going home with me to Pittsburgh. I had a meeting scheduled with a hospital board at Sewickley, Pennsylvania, a rich community of the area which I thought he might enjoy. Also I wanted him to see our office setup. I was proud of it. I had IBM machines, the first plan to have an installation of IBM. Industry didn't have them very widely then either.

He and I were having breakfast in the hotel coffee shop when Rufus came looking for me.

Rufus said, "Maurice, how would you like to go to work with me again?"

I asked, "What's going on?"

He said, "You were at the meeting. You heard the discussion and approval of the idea that the plans pay into a common fund to finance and distribute statistical information, and financial and operational information--a self-educational program."

Rufus was a C.P.A. and had also written a text book on accounting at the University of Chicago. So he really was an accountant. I had a hard time keeping my checkbook straight. I did take tests and measurements in my graduate work for my master's degree at the University of Minnesota so I had some statistical work. In that academic work I used medians, ranks, correlations and coefficients and other zany concepts together with all the arithmetic computation that went into it. In those days you did the arithmetic on a Marchand Calculator, if you could get the use of one. I didn't have one.

Rufus repeated his offer, "How about doing it?"

I said, "Gosh, Rufus, I don't know. I am happy where I am. Things are going real good."

He said, "I have got to get somebody. You think if over. I want you in that job. It would complement my promotional work."

I said, "Okay."

Dad went home to Pittsburgh with me. On the airplane he asked, "What was Rufus talking to you about?"

I told him.

"Progress," he said. "You don't make progress by sitting still."

He went home in a couple of days. We had no further discussion about the new job offer. About one week later I got a call from Rufus.

He said, "How about this new job assignment?"

I said, "Rufus, I don't think I can really do that. I have got to keep this Pittsburgh plan going. Got it started. It's working fine."

He said, "Think it over another week then."

I did that, and sort of semi-turned it down in my mind.

We lived in rental units in a development called Chatham Village. It was on the top of Mt. Washington within the Pittsburgh city limits. It was a community built for the employees of Boggs and Buhl Department Store. But it turned out to be a bit more expensive than those employees were willing to pay.

Most of the residents were salesmen or management personnel and wives affiliated with various types of businesses. They were all about our age. It was a delightful living place. By this time we had just had our first (and only) child, Nancy.

Judge Wasson, one of my board members, liked his martinis before dinner. His son and daughter-in-law did not approve of cocktails or highballs. The judge was a widower. He always had Sunday dinner at his son's home so he would come to our house for his martinis about 11:00 a.m. every Sunday before going to his son's. One Sunday morning when the judge was there, the telephone rang. Here was Rufus again on the phone. "Maurice, I have to know your decision right now," he said, "because those plan directors want their new program to get started. It has been delayed over a month. They want action."

I said, "I know, but how are you going to finance it?"

"They all agreed to make a payment."

"On what basis?"

"Just whatever they think is reasonable."

"How much have you actually got?"



Well, he had a couple of thousand dollars.

I said, "That isn't going to go very far--about a month--by the time I get a girl, furniture and that stuff."

"Yes," he said, "but they will come through."

I said, "Just a minute and I'll get some advice." So I described the project and asked Judge Wasson what he thought.

He said, "Mr. Norby, why don't you get a leave of absence for a year from here. Then you will protect yourself and yet you might get into something that is important. A central office program is important in this kind of growing activity."

So I turned back to the phone and said, "Okay, I'll be there. When?"

Of course he wanted me right now, too. I told him I couldn't come that soon, that I would be there in about two weeks. So, I called a hurried up meeting of my board meeting. Judge Wasson led the pitch for me to get a leave of absence. I went to Chicago. Mrs. Norby and our daughter followed me to Chicago about three months later.

WEEKS:

What were they calling the central office then? Rufus' office.

NORBY:

The Committee on Group Hospitalization. Rufus, when he got his \$100,000, went to the Board of Trustees of the American Hospital Association and said, "I need a sponsor. I am going to promote nationwide development of group hospitalization. I need a sponsoring committee." That was another condition, I think, that the Rosewald Foundation gave to him. He selected a group of about seven people.

WEEKS:

Those were the people like Goldwater and MacLean?

NORBY:

That's right. They became a committee of the American Hospital Association. The AHA Board of Trustees appointed them as an official committee of the Association. Rufus had selected the members. Also the board made Rufus the associate director of the American Hospital Association. The establishment of this office has never been explained to me. Rufus never made a point of it except to say when Caldwell was there, "He doesn't look too kindly on me. The action of the board made me his associate." There never was any evidence animosity there.

WEEKS:

Rufus controlled the money, didn't he?

NORBY:

The hospital association had no control over the Rosenwald grant money even though it was handled through the accounting records of the Association. Every penny was spent at Rufus' direction. That was not the case for other committees of the Association.

Caldwell (jumping way back) presided over a rather moribund organization. The outstanding activities were, one, publishing the journal which Caldwell was responsible for and he spent a lot of his time at his desk putting that together. He actually did the mechanics of pasting up the layout, and that kind of thing. It carried reprints of speeches that had been given to hospital associations and that kind of meeting. It carried very few original articles and little advertising.

The second activity was running an annual meeting at which there were some exhibits. Caldwell traveled considerably (for those days) attending state

hospital association meetings. I never did hear any speech he made but basically he was talking about hospital administration problems. I believe he at one time had been a hospital administrator.

WEEKS:

Somewhere I heard that he ran a hospital during World War I in Paris.

NORBY:

The American Hospital. Yes, I think he did.

When I came to work for Rufus in 1939, I think there were twelve, maybe thirteen, people working at the American Hospital Association when Rufus and I set up office in the AHA building in 1939. There was an assistant to Caldwell, I can't say his name. They called him "Colonel," I think he had been a colonel in the medical corps of the army. He answered questions about the operation of hospitals when somebody wrote in for information. They also had a qualified librarian. They had the largest collection of hospital literature and books, foreign and domestic, in the world. The library was located in the gymnasium of this building, originally the Latin Grammar School building. They had a lady, Miss Johnson, who was in charge of the exhibits at the annual convention. Caldwell did the program. Then they had the usual bookkeepers and secretaries, but that was about the staff.

WEEKS:

Hartman describes Caldwell as a gourmand and a gourmet. He lived very well, didn't he?

NORBY:

That's right. He lived very well.

I don't know if we should put this on tape, but I guess it is all right. That building had small toilets, and also small fixtures in the small

toilets. The toilet seat, for example, was about two-thirds the height of an ordinary toilet. The wash bowls were down.

WEEKS:

It had been a boys' school.

NORBY:

A boys' school. They were all small boys. The toilet on the main floor next to where you come in, next to the double doors, you would open the door and there were two stalls, facing the door. Well, Caldwell would get in there and sit on one of those low fixtures. He was a big man. In those days, everyone wore drawers. He would pull them down. He never would close the door to the stall. Anyone who opened the main door and come in--here was Caldwell sitting there. He apparently had trouble with evacuation because he was sitting there a long time. He would always have newspapers and a racing form with him. When he got through he would roll up the newspaper and leave it on the floor. We always knew the morning Tribune would be there and we would go and get it. Then he would take his racing form and walk to the corner of Division and State where, on the southwest corner next to Walgreen Drug Store, the second door, there was a front of a betting room. There was a large room in the back with a big blackboard and all that kind of thing on horseracing. Caldwell would go over there every day after his toilet session and place his bets. That's kind of beside the point, but it is a part of the early history of the American Hospital Association. He was a congenial fellow, yet he didn't use the telephone well. My office was on the third floor in the back of this building. He was on the second floor in the front. Every once in a while I would hear his big bellow, "Maurice! Maurice! Come down here!"

I would go down to see him (I was working with Rufus). This is back when I left Pittsburgh to go with Rufus to work on the research and information service for Blue Cross plans. I had somehow gotten to help Bert Caldwell with his monthly statistical report to hospitals. I finally had to quit because he would not use sound statistical measurements. He would insist on using averages that meant nothing because they weren't weighted by the size of hospital. He insisted I write it up his way. I just couldn't put my name to it anymore. That was what he would call me down to discuss. Or if he had trouble with figures that had been sent to him or that were presented in some paper that he didn't understand, he would ask me to come down and help him interpret these. It would always be by a loud call, a bellow up the stairs. So it was very informal working at AHA in the early days.

When I came to Chicago this second time to work with the Committee on Group Hospitalization, as it was still known, I started out analyzing the problems of the New York plan. By this time Mr. Van Dyk had been relieved of the presidency. He was not discharged. Van Dyk had come from the Essex County plan and started the New York plan. The "Penny a Day Plan" they called it.

WEEKS:

Van Dyk started it?

NORBY:

Van Dyk started the Penny a Day Plan in New York. No, not Penny a Day, Three Cents a Day, ninety cents a month. It was known as the "Three Cents a Day Plan." That's the plan we heard in Cleveland had gone broke. That's why they created the research and information service that I went to work for with Rufus in Chicago.

My first job then was to go to New York and find out what had happened, why they went broke. There was a fellow named Pyle (I don't remember his first name) who, I think, had been chairman of the board. Van Dyk was the executive director of the plan. Pyle took over as the chief administrative officer. Van Dyk was still there working on the program. The main problem turned out to be the result of poor enrollment. They had relaxed group requirements and had been enrolling too many sick people.

WEEKS:

Was this New York and New Jersey? Or did Van Dyk go to New York?

NORBY:

He went from New Jersey to New York and started the one in New York. We found out what was wrong. Mr. Pyle and Mr. Van Dyk put in corrective measures and the New York plan worked out of its difficulty.

I was collecting information from all the Blue Cross plans. I think at that time there were nineteen or twenty of them.

WEEKS:

You had to do some traveling then, didn't you?

NORBY:

I did. Yes. Not too much.

WEEKS:

I got the impression in talking with Rufus four or five years ago that in the beginning there were a lot of people coming to that office asking advice, even advice on who to hire as director, how to proceed, how to approach the legislature.

NORBY:

It was a service organization and Rufus handled most of those questions,

most of that kind of activity. My job, as I said, was research and information service--getting information, making analysis and feeding it back to plan directors.

For example, each year I would put out a book. It wasn't printed, it was typed then multilithed. It included detailed data on Blue Cross plan operations classified by size of plan and by geographic region. When I started there only a few plans but soon there were about fifty. We classified the data in such a way that most every plan could relate to it. Instead of having whole blocs of average length of stay, for example, for the whole country, we had it by regions and size of plan and so on. Actually it was a compendium of data that the plan directors would use in analyzing their own activities, their own operations, their own results.

WEEKS:

How early did the approval system come in? Wasn't there a time when you began approving plans? Was it just Rufus' office, or did AHA enter into it also?

NORBY:

It was Rufus and Rufus personally who developed the criteria. I have forgotten the number, but I think there were a dozen or so: A plan shall be nonprofit. A plan shall pay no sales commissions. It was that kind of thing. If it met all the criteria, then Rufus and the committee (they would agree on which plans did so and later on which ones would be added as plans developed) would send their recommendation to the Board of Trustees of the American Hospital Association. First of all, Rufus and his Committee on Group Hospitalization...Rufus developed the criteria and his committee agreed and modified them as they thought necessary and then sent those criteria to the

Board of Trustees of AHA and said, "Will you accept these as approval standards that we can use to approve plans by?" They did that. When a plan made an application for approval, Rufus would look at the data himself and recommend to the committee, and they would recommend to the board. Then it became a group hospitalization plan approved by the American Hospital Association. It wasn't approved by the committee, it was approved by the AHA.

WEEKS:

I see. When did the seal...?

NORBY:

van Steenwyk, searching for some kind of mark had adopted a blue cross as a mark to put on his literature, letterhead and so on. It moved into an idea and the group hospitalization words sort of disappeared and it became the Blue Cross plan of Minnesota. van Steenwyk came to Chicago, not for this specific purpose. He was down every so often. He was one of the people we counseled with. He was an operator who was quite innovative.

He said, "Why don't we get all the plans to be Blue Cross plans."

There was quite an informal debate among some of the leaders of plans, like John Mannix, for example. By this time he had started the group hospitalization plan in Cleveland. A big Irishman, John McNamara was running the Cleveland plan. The ultimate decision was: Let's use Blue Cross. There was some hesitancy because there had been an implication from the Red Cross people that they might object. But they didn't, in fact. They withdrew any objection. Then a number of plans registered the name Blue Cross in their states as a matter of protection. I have forgotten the exact date this happened, it could have been 1942, when the Blue Cross was accepted as the mark of group hospitalization plans nationally. You could not register it for



all the plans, you had to do it individually. Only a few did.

WEEKS:

There was no federal trade mark legislation.

NORBY:

Then the Lanham Act was passed by Congress which permitted the registration of a mark that didn't have to be put on the product. So then, it was registered nationally. However, the local plans that had previously registered the mark under their state laws were reluctant to give up their prior possession. They had prior rights in their states.

WEEKS:

I have a term that Rufus uses sometimes: Health Services Plans Commission. That was before it became Blue Cross?

NORBY:

Also, I think, after the Health Services Plans Commission there was the Commission on Group Hospitalization. Some place in there it changed names several times.

I am trying to remember: First it was the Committee on Group Hospitalization then it was a Commission. I think that was about the time when they began paying regular dues. First they were just making contributions to run my job.

WEEKS:

Very confusing.

NORBY:

After the first year of making contributions to a central fund they set up dues based on the size of the plan, the number of subscribers. I am not sure of the size of the dues but it was minimal.

I am not sure whether it was when it was called the Group Hospitalization Commission or later when it was called the Blue Cross Commission, at any rate someplace in the early 1940s, '42 or '43, after this Lanham Act was passed, we were meeting in Biloxi, Mississippi. The issue there was: Shall we turn the Blue Cross mark or trademark over to the American Hospital Association, shall we turn it over to the Blue Cross Commission, or shall we keep it ourselves in the individual states? A compromise was finally worked out whereby the American Hospital Association would allow its seal to be placed in the center of the Blue Cross. The Blue Cross plans would transfer the mark to the AHA as the administrative agency of the mark until such time as a majority or three-fourths of the plans voted to take it back again. It came away from the Blue Cross plans organization, the Blue Cross Commission or whatever it was called at that time and went to the AHA. So the AHA actually was the administrator of the use of the blue cross.

WEEKS:

This sounds as though this might have come about around the time George Bugbee became the executive secretary of AHA.

NORBY:

About three or four years later. It was a very emotional meeting because some plans felt Blue Cross registration was a valuable property. They did not want to give it to AHA. So they didn't give it. They gave the right to administer it. Subsequently after I left the Association, in the late 1960s, Blue Cross plans withdrew this authority.

WEEKS:

They came up with a new symbol. I wondered, you were with Rufus from '41 to 45...

NORBY

In 1945, in those times there were many incidents of quite some interest. One was the Blue Cross plan in the seat of its origin, Texas, went broke. We were called into a meeting because the insurance commissioner had issued the order that one week from today you close your doors if you don't become liquid, if you don't find some money some place so you can pay your bills. So in great consternation they called and wanted to know if someone from the central office could come down and help them. The only way they could get liquid was if the hospitals bailed the plan out. The insurance commissioner wanted it done right now or he was going to close down the plan for sure. The hospital administrators were all in a meeting in Dallas. They held telephone meetings with their boards. In two days they had more than enough money pledged. The insurance commissioner said, "No, I want it in writing."

So they had to get back to their lawyers. There was much telephoning going on. They had to get all their letters signed and into Dallas the day before the weekend when the commissioner was to close them out. I thought this was rather ironic. The nation got the idea of group prepayment from Dallas, it originated there, and now this was the first plan where the insurance commissioner was going to close them out.

WEEKS:

They hadn't been a statewide organization in Texas too long, had they?

NORBY:

No, not too long. They had a fellow named Bryce Twitty who was quite a promoter. He was the director when they got in trouble. Of course, he was relieved. There was a lot of emotion in this meeting. I was there. They claimed I had been the saving grace for them. This wasn't quite true. They

had done it themselves. Then they offered me the job to run the plan. I had that experience a number of places, but I didn't want that. So they took the assistant administrator of the plan in St. Louis, Walter McBee. He did a good reorganization job. This was not unusual. There was no administrative experience, much, around the country. Our job on the Blue Cross Commission was to help plans to get organized and to keep operating well. Toronto wanted a plan. I was up there for six weeks, not steady, I would come home some weekends. When they got all through that organizing effort they offered me the job. That was because I was on the job and they were hesitant to start, they realized it was a big venture. They wanted somebody who knew something about it. Milwaukee was another one. Topeka was another. The Menninger Clinic in Topeka couldn't participate because no plan had coverage of mental health. But the Menningers attended the organization meetings. In each of these and several other instances Rufus and I were able to place able people who were working in other plans and who had ambitions to be chief administrative officers.

Rufus and I worked as a team rather than he only on promotion and me on the statistical side. There was a great deal of politics. John McNamara of Cleveland I mentioned earlier was a very difficult man to please from the central office. There was some antipathy toward Rufus, for some reason or other.

WEEKS:

He accused Rufus of some pretty nasty things, didn't he?

NORBY:

Oh, yes. He had documented according to his satisfaction that Rufus was a Communist. He asked for a meeting of plan directors. Rufus called the

meeting at the Palmer House, to which McNamara had invited the people, more or less. They came at their own expense. At the meeting he accused Rufus of Communistic leanings and wanted to get him out of his job. It was touch and go. It was a two-day meeting. I was very concerned about that because McNamara had interpreted things in a way that was to his advantage.

WEEKS:

I think John Mannix told me that McNamara was almost a prima donna when he was in Cleveland. He would offer to quit the Blue Cross plan and they would urge him to stay. Finally one time he said he was going to quit and they said they would accept his resignation. That was when John Mannix came back to Blue Cross. Hadn't he (McNamara) been editor of Modern Hospital?

NORBY:

Was it Modern Hospital or Hospital Management? He had been in the publication field. I am not sure which one it was. He was not editor of Modern Hospital. He may have been a reporter or some such. I didn't know that he had an editorial job.

WEEKS:

I am not sure either. I knew he was connected with some publishing job.

NORBY:

I thought more as a reporter.

There was no history of Blue Cross, how did it happen, how did it run, what had happened up to date. About 1942 Rufus decided we ought to have this written down somewhere. We used Ediphones, that cylinder recorder, in the office in those days. Rufus took one home, the machine and a bunch of cylinders. He would sit there and dictate all day from memory what went on, and names and numbers and dates. Then Marcella Layman, who was our chief

stenographer and who lived near Rufus, would go and pick up the cylinders on her way to work and transcribe them during the day. In the meantime he was dictating another batch. She would bring the transcription back to him at the end of the day on her way home and he had another set of cylinders for her to bring to work the next day. He went on with that for the week. He would edit what she brought back as well as get a new set of cylinders for her to transcribe. So she would bring back the transcripts, take a new set of cylinders to transcribe, and retype the transcripts he had edited. I think he edited it three times. After a week or ten days he had written a book, the history of Blue Cross.

It was beautiful language.

WEEKS:

He speaks grammatically and...

NORBY:

It was excellent.

Soon after I came back to work for him on the research and education program, one of the first days, Rufus brought me a manuscript of a speech he was to make some place soon and asked me to edit it for him. I read it and thought this was just fine, just great. I may have taken out or substituted a word or two, not more than ten, from this whole twenty minute speech. I brought it back to him.

I still remember, he said, "I wanted you to edit it."

I said, "I did. It's great. It is just fine."

"Oh, okay."

He took it and went through the whole thing again. I finally saw Marcella typing it again. I could hardly find the original words in it.

In a week or so I had to make a speech some place. So I had my speech typed up. I thought out of courtesy I would give it to Rufus.

I said, "How about editing mine for me?"

It came back just black. I read it and it did sound a lot better.

I went back in Rufus' office--I hadn't been there more than a couple of weeks--and said, "I like it fine, but I think I had better go back to Pittsburgh."

"What's the matter?"

I said, "Obviously I can't meet the quality of work that you are used to and that you demand. I can't do it. Let's not get angry with one another by my staying longer and longer and you find you have to fire me. Let's just make an agreement now."

He said, "What's the matter?"

I said, "The speech I gave you."

He said, "You had some good ideas in there."

"But," I said, "they are lost."

"No, no. Every idea is there. All I did was change the words around."

That's the kind of fellow he was. He didn't mean to hurt you at all. He was so excellent in word usage.

Anyway, that went on. There was a lot of nitpicking among the plans as they became a little older. There was infighting to become members of the Blue Cross Commission. It was done by election of the peers. There was a lot of arm-twisting and ego-struggling. Rufus didn't care for that but he was forced into managing it. He wasn't too good a political manager. He was direct. He said exactly what he meant and wanted to say. Always it was contrary to what someone in that group thought. I think he finally decided

that life was too short to fight political situations. Ideas were needed for promotion much more.

WEEKS:

I think he wanted to cut down on his travel, too.

NORBY:

He was traveling an awful lot.

WEEKS:

In looking at your chronology I developed here I see 1941-1945, that would be the period when George Bugbee came into AHA (1943). Then I see that in 1946-1948 you had a leave of absence to go with the Commission on Hospital Care. I am wondering, did George convince you to take this job?

NORBY:

No.

WEEKS:

How did that come about?

NORBY:

Possibly I should say that George did have some influence on my decision to take a leave of absence from the Blue Cross Commission but...

WEEKS:

May I interrupt you a moment?

NORBY:

Yes.

WEEKS:

Correct me if I am wrong. The way I have the sequence of events in my mind is that sometime, right about the end of World War II or shortly after, AHA had a meeting at which they began talking about postwar planning, what



they should do. That's when the Bishop Resolution was passed.\* George, being relatively new to the job, figured that something should be done. Maybe they didn't know as much about the hospital situation as they should, and they had better study it.

NORBY:

Yes, I am sure you are right.

WEEKS:

My impression is that George got the idea, or adopted the idea from someone else, that they should have a commission to study this, which should be separate from AHA and be independent in its operation but with the blessing and help of the AHA.

NORBY:

That's right. I am sure that's true.

WEEKS:

With that in mind I can read in this chronology that you were gone for two years. George had been there two or three years at AHA. You were leaving Blue Cross to be number two man and the "work horse," as George calls you, on this commission which was set up and funded by Kellogg, and March of Dimes, wasn't it?

NORBY:

The Commonwealth Fund and Kellogg.

WEEKS:

---

\*The Bishop Resolution by the AHA House of Delegates called for voluntary health insurance, federal aid to build hospitals in areas where they were needed, and federal aid to the indigents who needed health care.

Somewhere the name Basil O'Connor comes in here. Basil O'Connor at that time, I think, had taken over the March of Dimes because he was the law partner of Franklin D. Roosevelt. Roosevelt had died shortly before this commission began its work.

NORBY:

I remember the name, Basil O'Connor. When it came time to justify our work we did work with the Commonwealth and the Kellogg Foundation. Basil O'Connor was not on the commission. I never met him.

WEEKS:

Someone said that O'Connor helped get some money. Maybe it didn't come directly through him.

NORBY:

He may have gotten the Commonwealth Foundation to make its contribution.

WEEKS:

Didn't the Public Health Service come into this too?

NORBY:

I got that. Not yet they didn't. I'll tell you. In 1945 then there was some turmoil among the Blue Cross plan directors. We had pulled away from the AHA in philosophy. AHA was a rather conservative organization. George Bugbee was new and feeling his way. The Hill-Burton program, AHA had sponsored it. Something big was going to happen there.

WEEKS:

The Commission? Hill-Burton hadn't quite come yet, had it?

NORBY:

Just on the edge.

WEEKS:

What I hope we can tie in here is the thread that runs from the Bishop Resolution through the Commission on Hospital Care to the final Hill-Burton bill.

NORBY:

I think we inject the Hill-Burton between Bishop and the Commission. The reason being... First of all, let me get back to myself again. Blue Cross was a bit suspect of hospitals because it had money, and it had entree to thousands, millions, of people.

WEEKS:

I think I got a little ahead of the story when I started talking to you about the Commission on Hospital Care, which is very important. Could we back up just a moment and let me ask you a few questions about Blue Cross before we leave your tenure with Blue Cross?

NORBY:

That's fine. We must get back to find the reasons why I shifted my work, my emphasis, from Blue Cross to hospitals. I think we should finish Blue Cross first.

WEEKS:

My understanding is that some time along about this time Blue Cross plans had some kind of membership in AHA. Is that correct?

NORBY:

Yes.

WEEKS:

Was there a special council set up? Was there a special category of membership?

NORBY:

There was a special category of membership. First of all, the American Hospital Association prime membership, the basic membership, was not individuals, it was organizations, corporations. It was an association of hospital corporations. They also have a personal membership for the administrator and so on. That was de-emphasized. It carried no power in the government of the association. The AHA was the representative of the corporations, the hospital as a corporation. It voted for the corporation of the hospital. The AHA set up other types of memberships for other types of hospitals. Type I was the basic voting membership, the corporate entity. There were also Types II and III, but I can't place those now. For the Blue Cross plans they created Type IV memberships. Blue Cross plans that were approved by the American Hospital Association were eligible to become Type IV members in the American Hospital Association. A minimal dues structure was established for that type of membership. I have forgotten what it was. It might have been \$100 or \$150. It was minimal dues they paid to the American Hospital Association. The plans paid their big dues to the Blue Cross Commission. There it was sizeable money.

WEEKS:

Was the purpose of this special membership a need for some kind of established relationship and a line of communication.

NORBY:

It was a bridge between the two. Also the Blue Cross plans then had a Council on Prepayment Plans, it was called, within the structure of the American Hospital Association. That Council dealt with problems of the administration of Blue Cross as it affected the administration of hospitals and the financing of them. It basically was a means by which the American

Hospital Association could communicate with the Blue Cross Commission and Blue Cross plans.

WEEKS:

I'll jump around a little bit here. There are some of these things we ought to get on the record. My understanding is that in the early days of Blue Cross, or the group hospitalization before, Blue Cross was used for the worker only, the coverage was for the worker only. Later there were provisions made for dependents to be covered. Basically the coverage was only for hospital care; Blue Shield had not come in yet in most cases. Is that a fairly correct statement?

NORBY:

That is generally. The emphasis was on the employed person. In Minnesota the employed person paid 75¢ a month for hospital care. He could enroll his family for another 75¢--all members of the family--but they would get 50% of their hospital bill paid. Gradually, however, that coverage of dependents became emphasized a bit. This was good not only for the employee but for the whole family. In Pittsburgh, for example, I charged \$1.00 for the individual and \$2.25 for the individual and the family. It was identical coverage for every person in the family. In the Dallas plan it was only the employee at first. As far as medical care was concerned there was continuous dispute for the first ten years as to whether or not x-ray and anesthesia and laboratory should be included in the Blue Cross plan.

WEEKS:

How about maternity?

NORBY:

There were some plans that did not have maternity coverage. Some charged

an extra 25¢ a month if they included it.

WEEKS:

Mental health care...

NORBY:

Was never included. The x-ray and lab...that was in question because the local medical society said those were medical services and you cannot include medical services in a hospital program.

WEEKS:

Were the pathologists and the anesthesiologists charging separately then, or were they charging through the hospital?

NORBY:

Both ways. In Pittsburgh when I started that plan we moved so fast that we couldn't talk to the medical society. We said, "We will talk to you a little later." When we got to the end of our first year we had to talk to them. They were really upset. So we said we would talk with them.

In those days we were paying hospitals \$6.00 a day for hospital care. We said we would pay the hospitals \$4.00 a day for hospital care and send another check for \$2.00 a day for medical care administered through the hospital by whatever device, contract, or commission for the hospital uses. The doctors were happy with that arrangement because we identified clinical laboratory and anesthesiology as medical services. They wanted them identified as medical services. The fact that we sent two checks one for the hospital care, and one for medical pleased them in Pittsburgh. Those disputes were satisfied or overcome in many different ways.

WEEKS:

The big break came during World War II, didn't it, when large employers,

particularly industrial employers, where they couldn't give a raise in pay, they could give fringe benefits. They gave Blue Cross as a fringe benefit. I was trying to think of where the big change came. In my mind, in the beginning, in the early 1930s the worker paid it all. The automobile industry was unionized in 1937, 1938, 1939, along in there. I wondered when it became a part of the union contract... Maybe that came after World War II, after it came in as a fringe benefit. I never heard of fringe benefits before then.

NORBY:

I didn't either. I cannot identify the date. The unions first started negotiating for salary and hours, and then it was these additional benefits. I think you have practically identified it, in the early 1940s. Was it during the war or after the war?

WEEKS:

It could have been, but the fringe benefit idea came in during the war when wages were frozen. Then, to satisfy the workers the government told the employers they would allow them to pay the workers' insurance and things of this sort.

NORBY:

I am sure that is right. The director of the plan in Chicago would enroll Harvester, because Harvester had its home office here and its biggest manufacturing plants here. Also, Harvester had plants out in California and Alabama and so on. The plan there would enroll them getting local plan benefits--they didn't have uniform benefits then... I don't quite remember how this worked. There was a central office, it was the control plan, the one where you had the head office, and through that office they would enroll the plants all over the country under the same contract, it seems to me, a single

contract--different from the local plan's contract.

WEEKS:

This was a big problem, national accounts, wasn't it? In the early days, because some of the employers, like Ford Motor Company, were in very early. John Mannix signed up Ford when he went to Detroit. General Motors came in a little later. They certainly had employees in nearly every state. Wasn't Indiana very slow about setting up a Blue Cross plan?

NORBY:

Very slow.

WEEKS:

You talked about International Harvester. They had a plant in Fort Wayne. They just closed it a few weeks ago. It must have been very difficult servicing national accounts.

NORBY:

The second difficulty was my belonging to a plan in Chicago and becoming ill in San Francisco. What benefits did I get? How could San Francisco give me Chicago benefits? That wasn't what the hospitals had agreed to do. So they formed what they called the Interplan Benefit Bank. That worked like a clearing house of a commercial bank. I got the benefits of...

WEEKS:

...of the plan you were enrolled in?

NORBY:

Oh, no. Of the plan of the community in which I was hospitalized. That was just the opposite of the enrollment program. In the enrollment program all were enrolled under one contract. But in the Interplan Bank as a member of the Chicago plan I got a day of care with the benefits of the San Francisco



plan if I were hospitalized there. The San Francisco member would come to Chicago, and Chicago would give him the Chicago benefits even though the San Francisco benefits might be much greater than those in Chicago. The patient would then have to take the lower benefits he got in Chicago. That was better than none. Prior to Interplan Bank I got benefits only in the hospitals in my plan area...none in nonlocal plan hospitals.

WEEKS:

Another thing. That all inclusive rate finally dropped by the wayside, didn't it? Where you could go to a hospital for so much a day? Although they are trying to revive it now.

NORBY:

What I think you are talking about is that the hospital would accept an all inclusive rate per day but I as a person would get the bill and I would pay the bill and pay for things not covered.

WEEKS:

I see. It has been a big problem. This is where the strength of Blue Cross has been. They have had to think nationally rather than by individual plans.

NORBY:

I shouldn't try to read McNerney's mind, or the leadership mind, but I have a feeling that the Blue Cross plans have disappointed the leadership in the movement by being unwilling to assert themselves. The plans had the potential of control of hospital administration. With the volume of care they purchased they could have controlled the administration of that service. In fact, when I was out at Salt Lake in Utah and they were setting up the plan and I actually wrote the bylaws for the plan, I wrote into it, and not

facetiously either, that Blue Cross should have the authority to build and operate hospitals. I suppose I was a little dishonest in proposing it because they were pacing pretty much what I was saying. Bill McNary was there, too. The hospital administrators--that's all there were there, administrators, hospital lawyers, and such--saw the potential of this clause we had written in. Blue Cross ought to run its own hospitals and not be dependent on other hospitals. They took it out. Hospitals could apply the pressure they have at their disposal, by virtue of the millions of people who are paying their way, to tell hospitals how to operate, how to control medical orders for specialty services, for diagnostic services. They could have limited that.

WEEKS:

You may not be too far off the mark. This may come, with Blue Cross starting HMOs and going into many things. I am sure they must have thought, sometime, about buying hospitals and running them, even if they run them as laboratories to try out ideas.

NORBY:

They have always accepted the hospital's manner of administration. They have not questioned whether or not the open book to the doctor to order any thing he wants...should close that book a bit and create some standards by which medical orders are placed with the hospital.

WEEKS:

As I understand it, Blue Cross thought their biggest selling point was the fact that they were selling a service rather than in indemnity. So, as long as the traffic would bear all this, they went along blithely and raised their rates a little bit as they went along. Now today we wake up and find that it costs an arm and a leg to stay in a hospital for a day. It's getting out of

control. Blue Cross in the past has been able to pay off these claims, been able to raise their premiums without too much trouble. Now they are facing a different problem.

NORBY:

In my opinion, it's morally wrong to give an agency the authority to foist on the public the frequency of use and the cost of a service with no control by the recipient and finances of that service. It seems to me that the Blue Cross and Blue Shield plans are the agencies that represent the recipient and should morally put the brakes on the expansion and cost of the health service that it is purchasing.

WEEKS:

What you are saying is this: Some of the thinking that might have been behind the move to separate Blue Cross and AHA...

NORBY:

It was unspoken, I think so. It's true, it was.

WEEKS:

There was sort of a conflict of interest. Blue Cross, which is an insurer and paying to the providers. They are all, more or less, the same thing.

NORBY:

I should be a little kinder to Blue Cross. Blue Cross itself has been controlled by the providers. Blue Shield, too. For a long time it was unusual to have a doctor on a Blue Cross board, or to have a trustee, for that matter. It was a hospital administrator that was running the plan. The hospital administrator was collecting the money and paying it to themselves for a product they contrived and they decided was what the patient needed. If a patient came in as sick as the dickens and said, "Yes, I'll take anything

you will give me and I'll pay for anything you will give me."

WEEKS:

The patient cannot choose, because he doesn't know.

NORBY:

He can't choose, but his representative, the Blue Cross plan, should have chosen.

WEEKS:

Maybe we are getting to a point where they will be forced to do something about it because of the economics of it. Somewhere, I don't know whether or not it was in your talk with Jim Hague, there was some mention about commercial firms wanting to become Blue Cross plans. Wasn't there one called Commercial Credit?

NORBY:

They wanted to ride on the coattails of Blue Cross. This was in the early 1940s. Commercial Credit had headquarters in Baltimore. They had purchased an insurance company through which they wanted to sell health and accident and life insurance as part of a package with group hospitalization (Blue Shield/Blue Cross). A fellow by the name of Fowler was then chief administrator of the Chicago plan. He, myself, and I think, Doug Colman who was the director of the Blue Cross plan in Baltimore, and a fellow by the name of Heath who was the treasurer of Commercial Credit met pretty regularly. Fowler gave us all the information from the Blue Cross plan in Chicago. I never could understand why Commercial Credit needed all that detail, but it was a matter of administration is what it was. They decided that they would work together in this matter. That didn't work. The Blue Cross Commission stopped that. Then Commercial Credit said, "Okay, we will go on our own and set up a prepayment

health service plan."

WEEKS:

What did they want to do? Did they want to have their insurance company write Blue Cross type insurance and be a part of the Blue Cross system? In that sense?

NORBY:

Yes.

WEEKS:

Somewhere I read that someone had questioned whether outfits like Kaiser or HIP could in some way tie in with Blue Cross. Did that ever come up?

NORBY:

Yes, that was debated. It was never accepted because those programs couldn't meet the twelve or fourteen approval criteria.

This Commercial Credit proposition got to the point where they were ready to go. When you are in the middle of something you always get offers that you otherwise wouldn't. They wanted me to operate the program but I said, "No." Mr. Heath, treasurer of Commercial Credit was in Chicago staying at the Drake Hotel. I had heard the night before that the Plan for Hospital Care in Chicago (Blue Cross) had asked Mr. Fowler to resign. So I told Mr. Heath, "Why don't you ask Fowler to head up your program?" He didn't know Fowler was without a job as of that morning. He offered him the job at a very fine salary. Mr. Fowler took it. He went to Baltimore and set up all the system for handling this, and took care of the papers for the insurance commission and so on. He had a five-year contract with them at a real nice salary. He worked there for two years. It finally folded. They could get no cooperation from Blue Cross.

WEEKS:

I see. This would have been on a national basis?

NORBY:

Yes.

WEEKS:

Which brings us to some of these national plans like John Mannix and his John Marshall Insurance Co. There was another one called American Blue Cross, wasn't there? Or was that just a thought?

NORBY:

That was a thought. Maybe it was on paper, but it never got operating.

WEEKS:

Would you care to comment on John Mannix' aberration, if you would care to call it that?

NORBY:

I think your term "aberration" is a good one. No one could understand why John Mannix lent his name to John Marshall. John Marshall Insurance Co. was organized by outside people, outside of the hospital field. It was just pure and simple a commercial venture. No one I have talked to--and I have talked to John, too--knows why he did that. In those days it was considered almost immoral to handle hospital care this way, to profit on the people's illness.

WEEKS:

I think you will agree with me that John Mannix was very idealistic. One thing he told me was that he insisted that the John Marshall Co. had to agree that they wouldn't make more than one percent profit.

NORBY:

That is right.

WEEKS:

That seems to be a reasonable thought. My impression was that John Mannix, after his experience in Detroit with national accounts became frustrated. There was a General Motors plant in Indiana and no Blue Cross plan. I think the problem of covering those employees in Indiana was saved by the war breaking out and General Motors closing that plant. I think John really felt that something should be done, that some way be found to handle national accounts.

NORBY:

I know that is true.

WEEKS:

He thought if nobody else will, why don't I try to start one?

NORBY:

He was very active in the national negotiations for national programs, one kind or another. In all my sitting in at meetings, the most frustrating question was the enrollment of national accounts. People in Blue Cross would just not give. The plan directors would approve it and then go home and their boards would say, "No, you can't have this modification."

I am rather inclined to believe with you that John was trying to provide a service at a minimal cost, extra cost, but the plan directors did not understand this. They thought John had just gone commercial, that was all.

WEEKS:

I think his reputation was hurt for a while. But anyone who knew John would agree that he wasn't that type of man.

NORBY:

John was very intense. When he talked his voice would go up and up and

up, the more intense he got. These plan directors were individuals, very individualistic. They were competing with each other for some reason or other. Always. So, John was not liked by all people. None of us are, really. When John would get on to something, he would keep driving. He frequently got what no one thought he could get. This one incident when he left the fold, so to speak, was hard for the plans to take. They shunned John. They were really nasty to him.

WEEKS:

How was it after he came back to Cleveland? After the two years?

NORBY:

It took some time before they started electing him to offices in the Commission. I would say a couple of years.

WEEKS:

I like him very much. Most anybody, like you, who knows him would say the same thing.

Was there a national plan proposed in Butler, Pennsylvania, of all places? Does that ring a bell with you?

NORBY:

No, it doesn't.

WEEKS:

Perry Adelman?

NORBY:

Oh, I remember now. Perry sat in my office in Pittsburgh. Perry Adelman was the director of the Chicago plan. I told you he was the man I went to see early on with Rufus Rorem when he was first starting it. He was a promoter. He had as a first assistant a fellow named Ben Green. The two of them came to



me in Pittsburgh with a grandiose plan of having a United States plan, a national group hospitalization plan. They had it all lined up in their heads that they would establish headquarters in Butler, Pennsylvania. I don't know why they picked that location. It was in my territory then; that's why they were seeing me. They wanted my support. They wanted me to be a part of this program with them. My plan, Pittsburgh, would be the demonstration program for all the plans around the country. Visitors could come in and see how they were organized. They would make all plans uniform. They had two ideas: One was that there would be one big corporation. That probably couldn't be done so there would be affiliations, really like franchising. He had a big story about the big air field they were going to have. They were going to be flying all over the country telling the other folks how to run their local plans.

WEEKS:

Was that to be nonprofit?

NORBY:

Except for the salaries paid to the people.

WEEKS:

The promoters would get good salaries.

NORBY:

Yeah. He talked to some other people but it never got off the ground. I would not have anything to do with it. I would not operate the demonstration plan.

As long as you express interest in national and commercial developments should I discuss a proposed relationship between Blue Cross and the John Hancock Insurance Co.

WEEKS:

I haven't heard about that.

NORBY:

This was later when I was working with the American Hospital Association after Dr. Crosby came. Do you want to get into that?

WEEKS:

I think it is all right if it's about Blue Cross.

NORBY:

Crosby had an entree through a fellow named Noel Baker who was high up in the hierarchy of John Hancock Insurance in their home office in Boston. Through Noel...the connection was that Noel Baker lived at Crosby's house, or Crosby had lived at Noel Baker's house when he was going to medical school. Somehow it was within the family early on.

I don't know where the idea originated whether it was with Crosby or with Noel Baker--it may have been Noel Baker, I believe it was. The proposal was that John Hancock would join hands with Blue Cross-Blue Shield. Hancock would give up their hospital, and their medical coverage, and they would provide group, accident, and life insurance. Two representatives would go into a group to sell the program one representing Blue Cross, one from John Hancock. I spent days with the president, I have forgotten his name now, at his house. I stayed at his house a couple of times. With the chief actuary, with the person in charge of forms and methods--to develop this program. We had it all on paper, and it had to be approved by the agents because the agents would have to give up the hospital and medical coverage. The agents refused it so that fell apart. It was a little odd, the profit joining with the nonprofit. We had the approval of the Blue Cross Commission to pursue this. We didn't have the approval of all the Blue Cross association members. That never

happened.

WEEKS:

That must have been before McNerney came in.

NORBY:

Oh, yes, it was. There was a period of time between when Rufus left and McNerney came when they had a number of people who were of various qualifications but...

WEEKS:

Were not thinking in the same terms.

NORBY:

General Hawley, for example. Dick Jones, he was just not competent to run that program.

WEEKS:

He had been an assistant to Rufus, hadn't he?

NORBY:

Yes, he was there while I was there. He was the public relations man. He stayed on after I left and took my work. Jeb Stuart who had run the plan in Cincinnati came in as director for the commission. These folks I wouldn't say were permanent; they weren't solid citizens. It wasn't until McNerney came that the commission really got a program going.

WEEKS:

McNerney saw something to build. They were more or less a holding action.

NORBY:

That's right.

WEEKS:

Before we leave Blue Cross I would like to ask you if you have anything to

say about the movement to separate AHA and Blue Cross. I have a note here that says that there was a meeting called the Conference of Hospital Service Plans in New Orleans about 1940. Most of the opposition came from the leaders in the AHA, didn't it? Or was there some feeling among the Blue Cross plans that they wanted to break away from AHA?

NORBY:

That early? In 1940? There was that turmoil. That was when that turmoil began.

WEEKS:

That was before Jim Hamilton's time. He was there in 1943, wasn't he? President of AHA.

NORBY:

Yes, 1943. He was the one that got Bert out.

WEEKS:

That would be 1943 then. Bugbee came in 1943.

NORBY:

There was conflict. The hospitals, you see, had had complete control of Blue Cross and its development by virtue of their membership on the boards of the Blue Cross plans, now in the promotion and Rufus' office being a part of AHA. When the Blue Cross plans with strong people like Mannix, like McNamara, like van Steenwyk--he was no pushover--when they began to assert themselves as to what they did not want to do, what hospitals asked them to do... For instance, the whole matter of methods of payment, dollars are always a hard thing to handle. The hospitals wanted more and the Blue Cross plans wanted to pay less.

WEEKS:

Didn't the AHA at one time try to set up standards of payment.

NORBY:

Of reimbursement? Yes.

WEEKS:

With some little variance between metropolitan and rural districts.

NORBY:

They were negotiating for a national contract with Blue Cross. That kind of thing. It began to show itself and surface. It hadn't always been there. The fact that the hospitals felt now that they were losing a little control of Blue Cross plans, which they thought they had, and did have. They began to come out in the open. That is one of the reasons I went to AHA.

WEEKS:

I will come to that in a minute. I have another idea I want to try out on you. There was a name McCarthy that came out of the air somewhere.

NORBY:

Oh, yes. St. Louis, director of the St. Louis Blue Cross plan.

WEEKS:

Was he one for separation?

NORBY:

He was a vocal Irishman, and a dapper young fellow. He had ideas of relationships that were not compatible with the hospital association. He wanted independence. He finally got it by leaving Blue Cross and opening a Cadillac agency.

WEEKS:

This is something that came across my mind this very instant: I have always thought of these directors as prima donnas in many cases. Was it

because, with the early ones, they went in very fast and built a big membership. Did they have a sense of power from all this rapid growth of all these thousands and thousands of people they enrolled and the millions of dollars they collected?

NORBY:

I know I did when I had 100,000 enrolled in Pittsburgh. I could see those 100,000 people back of me. I was the leader. Not only that I had a board... All these plans had real powerful, good boards. I was responsible to top leadership in Pittsburgh. Here I was a youngster, thirty-one years old. I was dealing with middle to upper aged chief executive officers of big corporations. So I had an inflated opinion of myself. I know I did.

WEEKS:

Especially in Pittsburgh. Families like the Mellons with their bank and Gulf Oil. Then there was the U.S. Steel. With those people you must have felt you had a lot of power.

NORBY:

At the first annual meeting the folks would stand around with their hands behind their back and say, "John, those are nice looking shoes you have got there."

"Oh, yes."

"They look comfortable."

"I got my last over in England. They are expensive, seventy dollars. Yours look good, too."

"I got mine over in Germany. They are not quite as expensive as your but they are quite comfortable."

Then they turned to me, and one said, "Norby, you have nice comfortable

looking shoes."

I am a joker all the time, so I said, "Yes, Thom McCann, \$4.40."

That's what I wore in those days.

WEEKS:

I think that people with a lot of power and a lot of money, feel very much different--not intentionally but they can't help but feel different from the rest of ordinary individuals.

I have one or two rich friends. I have known them...I knew them before they were rich. I can see the changes--not changes in relationship with me ostensibly but I can see their values change.

NORBY:

We were talking about the foment in the early 1940s. The beginning of conflict between hospitals and Blue Cross and directors. Rufus was becoming irritated with the need to pay attention to the political forces at work rather than the idea of expanding social programs.

I had little to do with that. I was working with the figures more than anything and the development of new plans. I sensed this feeling of conflict. The AHA decided they needed a study of hospitals. There had been no new construction in the early 1930s, because there was no money to build hospitals, the Depression. Then we came to World War II and there was no hospital construction because there was a lack of materials. The AHA, then, with the Bishop Resolution, began to demonstrate its awareness of the need to provide care for people who needed assistance, and that there would be a demand for more care, so they needed more bricks and mortar, buildings. The AHA wanted to know what their plants were around the country, what do we have now in the way of hospital facilities. They...I don't know who, I say

"they." I think George Bugbee working with a committee of the board drew up a plan for a study, a study plan, a project,\* which they could present to outside agencies for financial assistance to conduct that study. They so set it up that it would be completely independent of the American Hospital Association once it was formed. They had to solicit volunteer board members or commissioners and select staff to get it going.

They knew that responsible commission members would want to know who was going to do the work. So they selected Arthur Bachmeyer, M.D., who was the Associate Director of the School of Biological Sciences at the University of Chicago, which was the medical school and also included the hospital. He was intrigued with the idea.

He had been president of the American Hospital Association. He knew what it was; he knew Bugbee. Bugbee had been administrator of the city hospital in Cleveland. Bachmeyer had known Bugbee as the hospital administrator. Bachmeyer said he could direct the project half time--that was all. At that time that was three days. We worked Saturdays then. He said he wanted an assistant, later he changed the title to "associate." Whether he asked for me, or whether George Bugbee, who was in the same building that I was, suggested me to him, I don't know. I do know that the two of them approached me, together. They asked if I would be willing to take on the job full time, working with Dr. Bachmeyer in operating this study. I studied the prospectus and decided that someone ought to be identified with hospitals who was in Blue Cross. No Blue Cross administrator--you see at that time Mannix was not a Blue

---

\*The study was titled: "The Commission on Hospital Care."



Cross administrator. He was on the board of the Cleveland Blue Cross plan. But at that time no Blue Cross administrator was a hospital administrator. None of them had been identified as people knowledgeable about hospitals. All they were supposed to be worrying about was dollars. Let the hospital administrators run the hospitals. It was my feeling that trouble was brewing between plan directors and hospital administrators basically because hospitals knew that Blue Cross directors did not understand fully the problems of hospital administration. Plan directors were just asked to provide dollars to run the hospitals.

So I thought that if I could work with this national study for two years, I might be identified as someone in Blue Cross who knew the hospital problem. I would be looking at what hospitals are. The Commission on Hospital Care was to find out what the hospital is, and what it should be in the future.

WEEKS:

At this time, you are still director of research at Blue Cross Commission, then this occurs.

NORBY:

When this occurred.

I had taken leaves of absence for two jobs before this, one for thirty days that lasted ninety days and another one for thirty days that had lasted several years. So I thought I would get another leave of absence from Blue Cross and accept this two-years' assignment fully expecting to go back to my job at Blue Cross. I explained to them that I thought it would be well if someone worked for Blue Cross who understood hospitals. When I returned from the Commission on Hospital Care study they could say they didn't know all about hospital problems but Norby told us about them.

So I got a two-year leave of absence.

WEEKS:

Was Rufus still...

NORBY:

Rufus was still with Blue Cross.

WEEKS:

You got the leave of absence while he was still there.

NORBY:

He was still there.

I should back up. After the American Hospital Association got Bachmeyer to agree to be director of the study they obtained their commissioners, a real high level group of commissioners.

WEEKS:

About how many were there? I have heard figures like twenty-five.

NORBY:

I think there were twenty-two.

WEEKS:

Was that sort of a cross section?

NORBY:

It was a definite cross section. Thomas S. Gates was chairman. He was Chancellor of the University of Pennsylvania. There were: Roy Ryerson, President of Inland Steel, he was vice chairman; Sarah Blanding who was head of Vassar College; Willard Rappleye, M.D., Dean of the College of Surgeons at Columbia University; Clinton Golden, Assistant to the President of the United Steel Workers; the head of the Farmers Grange; Albert Dent, who was president of a Negro college, Dillard University, in Louisiana. They were all heads of

some national health or commercial organization. Herbert Hoover was on it and actually came to our meeting. Mr. Gates, Bachmeyer and I went to his apartment, for other meetings, in the Waldorf Astoria Hotel in New York City.

WEEKS:

Who set up the details of the methodology, the objectives, and all this sort of thing?

NORBY:

Bachmeyer and I.

WEEKS:

The two of you decided how you were going to approach the problem?

NORBY:

Yes. The first we had to do was to determine what is the present hospital, what is this creature we are dealing with, and where is it. There was no list of hospitals in the United States, no one list of where hospitals were. There was no generally accepted definition of a hospital.

WEEKS:

Even the AMA didn't have a list?

NORBY:

The AMA had a very restricted list.

WEEKS:

Not detailed information?

NORBY:

No detailed information, and not more than a fourth of the hospitals were listed by the AMA.

I went to the U.S. Census Bureau and after some cajoling with the then director, we established a pretty good working relationship. He assigned one

of his assistants to me. We prepared from the Bureau's records a list of all the places people had died in the United States; confectionery stores, train stations, pool halls--everywhere people died. We went through that list and eliminated many locations just by the names of the places. Finally the Commerce Department director let us go deeper into the census record and see the characteristics of these places by the replies they made to the--this was Internal Revenue--by the replies they made on income tax reports. We shouldn't have had that access to IRS records. From them we could tell whether the reporting organization was the kind of place that had health services. It was a tedious job getting a comprehensive list together.

WEEKS:

There weren't highly developed state hospital associations then either, were there?

NORBY:

No. We did ask the state associations for the names of all their hospitals. We asked the nursing home association, which was a sort of feeble organization, for all of theirs. We asked the state health departments for all the health facilities they licensed. We sifted all these names until we finally identified some 14,000 places we thought might be hospitals. Then we developed a questionnaire that we then mailed to all these places. We asked them questions which would help us identify them as hospitals or not. I think we pulled down to around 9,000.

WEEKS:

Did you get pretty good response on you questionnaire?

NORBY:

Oh yeah. We kept following up if we didn't.

At the same time that we were doing that, we thought about what questions we were going to ask hospitals to find out what kinds of services they rendered, what their financial condition was, what it was costing them to run their places, and what their plans for the future were. We had employed a professor from North Carolina State University. He was a biostatistician. He was a guy with ideas.

WEEKS:

Was that Becker?

NORBY:

No, Becker was then with the UAW. I got him later for the Commission on Financing Hospital Care. He was a wild one.

This was Horace Hamilton. Horace was a good questionnaire drafter. He like inquiries of one kind or another.

We saw that we were going to have to have more help, more technical help, so I went to Surgeon General Parran for assistance.

WEEKS:

You instigated this first? You went to him first, he didn't come to you?

NORBY:

No, I went to him. There were many other people involved with this. Bugbee was hunting for people. I could go to him at any time, and I did many times asking, "Where can we find this kind of guy, or where can we find this kind of information?"

WEEKS:

Were your offices there in the AHA building?

NORBY:

The AHA owned an apartment building with a common wall. There were three

floors in the building.

WEEKS:

Next door?

NORBY:

Next door. There was a living room, one bedroom, a hallway, a bathroom, and a kitchen. It was three stories high with an English basement.

WEEKS:

What's an English basement? A half basement?

NORBY:

A half basement, half windows, half above ground.

The AHA owned that building. This was in 1945 near the end of the war. If you wanted to evict tenants you had to find another place for them to live. The AHA came through for us. They found a place for the tenants. Then we cut a passage way through the common wall on the landing of the stairway between the first and second floors of the AHA building. The AHA gave us that facility for our use. We paid no rent.

WEEKS:

I got you off your story. You started to tell me about going to see Parran.

NORBY:

Others let us know that Parran was in need of information. So, the deal made with him was that we were doing this national study and that we would work closely with him. He had a couple of hundred thousand dollars of postwar planning money. The war was coming to an end. He knew that he was going to have to come up with some figures and data on hospital expansion needs. The Hill-Burton program was being promoted at that time, too. So these programs

matched. He had a need for information in order to properly administer the Hill-Burton program if it passed. George Bugbee was working closely with Lister Hill and Harold Burton on this legislation. All this was happening at once. So we moved in to help Parran get information needed to administer Hill-Burton if it was passed.

Parran loaned me a fellow named Rollo Britten, a statistician on the Public Health Service. He worked for me on a half-time basis, about every other week. Rollo was devising a questionnaire we needed. Bachmeyer was very good at anticipating the kind of information we should have. He knew hospital operation so that he could get the ideas for questions to Rollo, and Rollo could word them, and put them in sequence. We finally devised a forty-one page questionnaire. Then we thought: when we get all these answers coming in, what are we going to do with that volume of information? So we went to Dr. Parran again.

Dr. Parran said, "You send out the questionnaires because I need that information." He liked the big questionnaire. This information was available nowhere. He said, "I'll help you tabulate it, and handle the data."

He employed me as a dollar-a-year man to supervise a staff of about twenty people, whom he paid, who were working in our building we had in Chicago. They were to code the data from the questionnaire. Rollo had set it up so it could be transferred to punch cards for tabulation on IBM machines. I think we had twelve cards for each questionnaire. (I should say that Parran agreed to give us this assistance with the understanding that the data was considered to have been collected by his staff and it all would be available to him. So he could say when he came up before Congress, "This is information I have collected.")

We printed the questionnaire then came the point: How are we going to get the Catholic hospital information? The Catholic hospitals were members of the Catholic Hospital Association. There was a lot of financial stuff in the questionnaire that they just don't want to give out.

The next action was a negotiation with Father Schwitalla, secretary of the Catholic Hospital Association, who was quite a character. He had the questionnaire and studied it. He, too, felt he would like to have that information particularly about Catholic hospitals. So, if we would have an extra copy of the questionnaire made in our office and given to him when they were returned he would handle it in a way that would ensure complete returns.

WEEKS:

Just the Catholic hospitals?

NORBY:

No, all the hospitals, with a note saying this material was being collected with joint approval of the Catholic Hospital Association and the American Hospital Association, and a copy of each completed questionnaire would be made available to each group. I couldn't send out two questionnaires three-eighths of an inch thick.

The questionnaires were printed on real good paper. Questions had to be arranged on spread sheets so they could be tabulated easily. We got good replies. Parran provided twenty-one girls for coding the questionnaire thing. After they were coded we sent the questionnaires over to the Public Health Service IBM bureau in Chicago--that was a regional office there. Their personnel punched all the cards and the running of all tabulations of data that we requested. That service cost us nothing. The Public Health Service gave us the punch cards and made a duplicate set for itself.



We had gotten a hundred thousand dollars from Commonwealth Fund and about twenty-five thousand from Kellogg Foundation. At least we got some from Kellogg. I should back up.

I don't have to back up much. We got this questionnaire all ready, then Kellogg said they would give us some money if we would do a pilot study in Michigan thus testing our questionnaire for the national study.

WEEKS:

Was that the Southwest Michigan Hospital Council?

NORBY:

No, the whole state of Michigan. That Southwest Council was very active with Kellogg, I know. When we worked with Vergil Slee it was the Southwest Michigan Hospital Council that first tested his program.

We actually ran this small study, a pilot study for the state of Michigan. There was a special report. It was all bound in a special book reporting findings for Michigan. We identified errors in our questionnaire and methods in our procedures.

WEEKS:

It was probably a good thing you did it.

NORBY:

These decisions were Bachmeyer's. He was a very smart fellow, that guy. I think I was a good man Friday in implementing the program.

When we got this number of people assigned to us and we sent the questionnaires out, then the Surgeon General assigned an officer to us, Dr. Bob Morey. He was the first officer assigned to us from Dr. Parran's office. He was helping with the development of the questionnaire. He was treated as a staff member--just an employee. He would go around to the various states too

with us, and talk at the state hospital association meetings.

WEEKS:

You created an interest, too, that way, didn't you?

NORBY:

Bob would travel with us. The poor fellow had five dollars a day allowance; he could hardly pay a hotel room charge for that, so we would supplement his allowance. We weren't supposed to. The Surgeon General said he wasn't assigning these people for us to finance them. But we had to make up their travel expense deficits.

WEEKS:

Was Dr. David Wilson...

NORBY:

Bob Morey's wife was the daughter of the then president of the Burlington Railroad. The president didn't think much about Dr. Morey's work with the Public Health Service and the Commission. He lived over on Lake Shore Drive in Chicago. His daughter and son-in-law lived there with him. It was a great big place there. The Moreys lived in the servants' quarters in the back, and their space was bigger than most houses. The father-in-law prevailed on Dr. Morey to go out and practice in California. Morey left the service after six or seven months. Then Dr. David B. Wilson was assigned by the Surgeon General.

WEEKS:

What was the role of Morey and Wilson, for example?

NORBY:

To officially represent the Surgeon General in this operation, they were Public Health Service representatives on the job so that when this statistical material came out they could truthfully say it was a product of that agency's

efforts.

They helped us. They were eyes and ears for us. They worked with us regularly. What we would do is we would have frequent staff conferences. Bachmeyer would come to work Thursday, Friday, and Saturday. I had my office arranged so he had a conference table where we would work every morning Thursday, Friday, and Saturday, as a group. There was Horace Hamilton, Dr. Wilson, Dr. Bachmeyer, and myself. We would sit around this table and decide what chapters we thought we should have in the final report. What kinds of narrative. For example, a short history of hospitals in the United States was prepared by Prudence Wood, a staff member. She worked for AHA a long time.

This was a planning group, this is what we were. We would do that kind of thing when Bachmeyer was available. Then the product of that planning would be given substance by each staff member working on elements of the plan during the first three days of the week.

For example, Dr. Hamilton came up with the bed death ratio for determining the number of beds needed. Have you heard of that?

WEEKS:

No.

NORBY:

That concept rated one chapter in the final report. I still believe in it. Hamilton came up with the idea and said that if one computed the ratio of the beds to the number of deaths in a hospital, he could predict the bed need for the future.

WEEKS:

Would the days of occupancy come into this?

NORBY:

No. Anyway, that bed-death ratio was batted around for a long time. It was never publicly accepted. Anyway Hamilton had this idea and he would sit around the table at planning sessions and tell us how this worked. He would present all the raw data on this subject to prove his point.

WEEKS:

So you said the Public Health Service officer was a member of that planning team.

NORBY:

He was a member of the planning team. The planning team would help outline the discussion agenda we would want to have with the Commission. For example, the role of the hospital in the community. We would outline what one ordinarily would put in a speech, if one was going to make a speech on that topic. That was the guide for the discussion with the Commission. Then we would have a meeting of the Commission and that would nearly always be in Philadelphia because the chairman lived there and didn't want to travel away from his home town. The meetings were at the Belleview Stratford Hotel. I had the table set up with microphones. The discussion group included the four-man planning team on our staff plus all the Commission members. They were very conscientious in their attendance. I recorded all their discussion as we are recording here. Sometimes it was a little difficult, there was overlapping discussions, but we did record it. It was on a Soundsciber in those days.

After the meeting I would take the discs home. I lived in a third floor apartment in Evanston, Illinois with a big porch. I would set one Soundsciber up out there and play back the recordings of meeting discussions. I had another Soundsciber into which I would dictate my

interpretations of their consensus. What I was doing was taking the thoughts of those people and condensing them into what I thought were the minutes, the report of what they said on the subject. Then I had my interpretation transcribed by a secretary in the office. That theoretically would become one chapter of our report. When I had finished that section of the report to my satisfaction, we would be getting ready for the next meeting of the Commission. We met about once a month. I would first let the other members of the team review what I had done in my summary before it was in form to be presented to the Commission. When the planning staff was in agreement as to what we thought they said we would be ready for the next meeting because by that time we would also have prepared an outline for guiding the discussion by the Commission of the next subject. We would send that outline together with the summary of what we thought they had said at the previous meeting to the commissioners about one week in advance of the next meeting. When the meeting opened, the first procedure was to review the staff summary of their decisions on the previous subject. There were always changes made. Then we would go to the new agenda, the new chapter, and again record it and handle it the same way for succeeding meetings.

I had assembled a list of some 15,000 officers of organizations around the country. I had obtained names and addresses of the presidents of school boards, for example, the presidents of all the farm bureaus, president of trade organizations, professional associations, etc., all kinds of groups. They became the mailing list for distribution of our newsletter. After we got a chapter approved by the Commission I would have a staff editor summarize that subject into a four-page printed report, a newsletter, about the thoughts of the Commission on Hospital Care on this subject. It became a preview of

our final report.

WEEKS:

Did you take into consideration utilization, hospital utilization, or were you looking at the picture of what the facilities were? Or was it a combination?

NORBY:

It included an analysis of utilization too, yes.

WEEKS:

You noted that out of a population of a certain kind a certain number of days were spent in a hospital. The original premiums for prepaid hospitalization were based on raw figures like...

NORBY:

We looked at the hospital, what it was. The Commission was saying what it should be.

WEEKS:

You made recommendations then.

NORBY:

What it should be. So this raw data that we got from these questionnaires, that's what it was: what was there and where it was.

WEEKS:

How did you determine what it should be?

NORBY:

That came out of the Commission's discussions. Dr. Rappelye, he was a hotshot doctor. We had several of those. Dr. Apple, the then president of the American Medical Association was a member. Dr. Claude Munger was a highly regarded hospital administrator from New York. We had a number of outstanding

doctors and hospital administrators on the Commission. They were balanced by business heads, educators and so on. They came to agreements about what the future hospital should be. We would send this four-page printed summary to all these 15,000 people. We were developing interest in the Commission's work for ultimate implementation of the Commission's proposals. All those people out there could follow us along with this reading.

WEEKS:

You have told me a lot of things that I wondered about. In most of the reading I have done where the Commission on Hospital Care is mentioned, as far as the Public Health Service is connected, Dr. David Wilson was sent to work with you. That was the only connection I knew. Now you are telling me about all these people, the staff of twenty or so they gave to help you. I have also heard another name, Vane Hoge.

NORBY:

When the Hill-Burton program was passed, Van Hoge was put in charge of the division of Public Health Service that would administer the program. That implementation of Hill-Burton occurred about the time the Commission on Hospital Care job was finished. They developed their statistics of need from the census of hospitals that they got from us.

WEEKS:

You hadn't written your final report yet but they were getting the data as you developed it? Somewhere I have read that Van Hoge was sent to the University of Chicago to take the course in hospital administration previous to this and also, that, about a year before Hill-Burton was passed, he was developing an office and a structure for administering--even before the bill was passed.

NORBY:

That's right. He was. And there was a fellow names Haldeman who was involved.

WEEKS:

Jack Haldeman. He succeeded Vane Hoge.

NORBY:

He was working with Vane in this development. Then Jack had another assignment but when Vane took off... Where did he go?

WEEKS:

He went to AHA, the Washington office, didn't he?

NORBY:

That's right.

WEEKS:

With Kenny Williamson.

NORBY:

That's right.

WEEKS:

Another name I'd like to sound off on you is Dr. Joseph Mountin of the Public Health Service. Did he enter into any connection with the Commission?

NORBY:

Not with the Commission. His name was prominent. I had hardly any contacts with Doc Mountin.

WEEKS:

He was great on standardization.

NORBY:

He was working with Bugbee on committees of the AHA.



WEEKS:

He was a great man on regionalization. The Mountin-Hoge grid, they called it. You know this tertiary, secondary, primary hospital referral system.

NORBY:

We emphasized that concept in our report, too.

WEEKS:

Another thing I have discovered is that all this work you were doing was a forerunner of the AHA Guide: American Hospital Association to the Health Care Field, commonly called "The Guide Issue." Is this true?

NORBY:

Yes. There was no Guide Issue. There was no way of making one until we got the list of hospitals. There was a fellow named Roy Hudenberg on the staff of AHA. Bugbee asked if they could get our list. They got out their own questionnaire. They used our list and some of the data that we had in our questionnaire--not much, because ours was too complicated. We worked with the AHA to develop the list and statistical data about the hospitals that they put in their Guide Issue.

WEEKS:

We can just go over to this Hill-Burton movement which was developing at the same time you were working. Did you ever hear who was the author of the first Hill-Burton bill? I say "first." I think it came out of the Public Health Service. I think somebody there wrote the bill, didn't they? I was wondering if it happened to be Mountin. I have no reason to believe that except he was very busy in many kinds of investigative things.

NORBY:

I knew he was. He floated around, but I never got in direct contact with

him. He worked on committees with the AHA. I heard his name many times. I did see him on occasion. I don't know who wrote the original Hill-Burton bill, or whose idea it was. I just know the AHA was pushing it.

WEEKS:

We know that Bugbee was working with Hill and Burton and finally with Senator Robert Taft, because, as you know, Burton left to go to the Supreme Court. Taft wanted a health bill because he wanted to be President of the United States. The story I heard is that Taft said, "Let me take it, and read it." He rewrote it. He made a great point of making it state administered--a Hill-Burton program in each state, rather than having it all come out of Washington. Does that sound reasonable to you?

NORBY:

I am sure that's right. Originally it was federally dictated how it should be operated, and what kind of people. In fact, it was financed federally. The Hill-Burton program on the state level was financed nationally. I remember I was running around the countryside trying to get the states to set up their Hill-Burton programs. I conducted a series of workshops. I helped state health officers and personnel. We developed suggested procedures. All of this activity was after the Commission concluded its work and I had joined the AHA staff.

WEEKS:

I have talked with two or three persons who were in on state level helping establish Hill-Burton programs. One was Bob Sigmond. Another was Dick Stull, out in California at that time. There was some one else, also.

AHA has had a great role, it seems to me, correct me if I am wrong, in implementing things like Hill-Burton, Medicare, Medicaid. We know AHA went to

bat for Blue Cross.

NORBY:

AHA went all out in support of those programs there when the American Medical Association was opposing them.

WEEKS:

This is one thing I think the AHA is sometimes not given credit for.

NORBY:

The AHA under the quiet but decisive direction of George Bugbee emerged in an adviser role. I would like to amplify what I meant by saying the AHA was in an advisory role. The AHA did advocate and promote specific legislative positions but in an educational way. Members of Congress were asking AHA for information that they needed in considering programs of legislation that were before them. The AHA was not considered as a lobbying organization. It was recognized as a source of information about health programs. Therefore, AHA representatives were admitted into the thinking, conversations, and discussions of the legislatures more than other self-interest groups.

WEEKS:

Another thing I have thought about is that AHA has to be quite political in the best sense of the word because they represent so many different kinds of constituents. It is very difficult, I imagine, for the association to take a strong stand on a proposal, we'll say, like national health insurance or some other controversial thing. They would have people on both sides of the fence in their membership, so this would make it very difficult for them to represent all people, or any one position.

When you got through with the Commission on Hospital Care, you published a report. Did you distribute that to all those 15,000.

NORBY:

No, the report was an expensive printing job. It was 630 pages in length, with a great number of graphs, and bound in hard cover.

WEEKS:

All typeset, too?

NORBY:

Yes. When we finished it in what I thought was final form--I had it typed on 8 1/2 x 11 sheets with charts and graphs pasted in proper places in the text, then I had it printed photo offset on both sides of the paper in reduced book size of about 6 1/2 x 9 inches. I had it bound with a glue backbone and a soft cover. It was submitted to the Commission in this form for final approval. We hoped the commissioners wouldn't make major changes and, lo and behold, they didn't. Actually it was in book size, pretty bum paper, and typewritten. In those days we didn't have typewriters that justified the right margin. We did have photographs of charts and graphs in the preliminary report form. We gave the report in that form to the Commonwealth Fund just prior to the end of the originally designated two-year study period. We pointed out that no money had been budgeted to publish our report for wide distribution. The Commonwealth Fund looked over the report and thought it was worth wide distribution. They then became the publishers. They printed, stocked, and sold the copies on their own. There were relatively few free copies that were distributed. It was actually promoted and sold by the Commonwealth Fund with assistance from AHA.

WEEKS:

We talked about the results of it: the development of regionalization idea; the Guide Issue. Were there any other things? You had some influence

along the way on Hill-Burton, there is no question about that.

NORBY:

The concept of regionalization was written into Hill-Burton legislation or regulations but that concept was really a major part of the Commission's report. The Commission had come far enough before issuing its final report to have established its favorable position on regionalization. So when Hill-Burton was written, after our work was almost three-quarters done, it actually showed up in the Act. Dr. Mountin and Dr. Hoge were in on that. They had the office going on Hill-Burton before the bill was passed.

WEEKS:

I never knew Dr. Parran, the Surgeon General, but from what I have heard of him--McNerney and others who worked with him have spoken about him--he must have been a mover and a shaker, as we say today.

NORBY:

He was. He knew he was going to have to come up with a plan with answers as to where hospitals should go, how they should develop. He had to come up with that after the war. He knew he had to do that so he was using nongovernmental agencies, really, as a device for determining a government plan and program.

WEEKS:

And with the good lobbying, in the best sense, of George Bugbee working through Harold Burton, the former mayor of Cleveland, his former boss, didn't hurt any, did it?

NORBY:

No. George was very busy and effective. I don't think then or now he is recognized for the value he was, or the push or clout he had. He always

worked in a very quiet way. He came in when there wasn't any program of any kind. Hamilton was president of AHA when George was there. Hamilton's influence was greater than it might have figured to be because he, more than anybody else, selected George. They had a committee, and, of course, George knew this. Hamilton was a very forceful man.

WEEKS:

He still is. I talked with him about a month ago on the telephone. I interviewed him about four years ago. Speaking of Hamilton, he raised a question which people may misunderstand why I am asking it. I have a feeling that back in those days in the 1940s with such strong characters as Schwitalla, Maurice Griffin, Hamilton, that there was a feeling of anti-Catholicism.

NORBY:

They were worrying about the Catholic Hospital Association. It was a stronger organization than the American Hospital Association while Caldwell was in charge at AHA, mainly because Schwitalla could crack the whip over the Sisters' heads and they would bow to Schwitalla's authority. They didn't have to. Under Catholic law, or whatever it is, the Sisters were responsible to the Mother Superior, not to any priest. But Schwitalla had some kind of influence over them. It wasn't within Catholic law, or whatever you want to call it. But, he had it. He had a good organization.

WEEKS:

As Hamilton tells the story, and I have heard it otherwise too, when he was president-elect he said to Caldwell, "I am going to be president next year, and I want you to be prepared to resign."

NORBY:

That was Hamilton who said that? I wouldn't doubt that a bit.

WEEKS:

He told Caldwell, "If you don't resign, I'll see that you get kicked out. If you do resign, I'll see that you get a good pension."

NORBY:

No question but that Hamilton was instrumental in change of the guard. It was considered that Bert Caldwell was not creating an association that most of the hospital people wanted. It was Caldwell's association. It did not meet the needs of the field. People were unwilling to face the fact. Caldwell was a pretty strong character himself. When Hamilton came in everyone who wanted a change in administration sighed in relief because they knew Hamilton would do it. No question that he was responsible for Caldwell's leaving.

WEEKS:

The next step or question was about who would succeed Caldwell. The way I heard the story was that Hamilton thought that there were three or four prospects. One was Mannix, one was O. G. Pratt, the other was George Bugbee. Bugbee had been in Cleveland, not too long. He had gone there from the University of Michigan Hospital. The way the story goes Hamilton said, "You three guys are capable of running the hospital association, but you, O. G., you are too easy going, we don't want you. Mannix, you could run it but you are Catholic, we can't have you right now. Bugbee it's your job, you have got to do it." Or words to that effect.

NORBY:

I don't know, I wasn't there. I do know what my Dad told me: that there were other candidates who had support from various groups. My Dad was a dyed in the wool Lutheran. That didn't enter in his report to me. That was what

he undoubtedly was talking about. Others had support for various reasons. He described George. He said, "Then the black sheep showed up and he was a compromise from the others, he was elected and nobody knew him, didn't know anything about him. They just took a chance on him because they couldn't agree on the others." That was Dad's report to me. Dad was just a maverick too. He was a young one. He organized revolts in elections.

WEEKS:

I wish I could have known him. Bugbee, of course, had succeeded Hamilton at Cleveland City Hospital in Cleveland. Hamilton had been superintendent of City Hospital. Hamilton went from there to Yale to Yale-New Haven Hospital. He was a New Englander, he wanted to get back to New England. I don't know, but I wouldn't be surprised if he might have recommended Bugbee without knowing too much about him because Bugbee worked for Harley Haines at Michigan. There was kind of an old boy network. They would pick up the phone and talk with each other. Fifteen or twenty of those oldtimers (they were relatively young then)--they ran things. I don't know this, but I have always imagined this is the way George came to Cleveland, and that Hamilton sort of kept an eye on him, George was sort of a protege of his. From what George has said Hamilton encouraged him to get into AHA activities.

George has ability, there is no question about that.

NORBY:

Undoubtedly there was a strong feeling of competition. The Catholic Hospital Association kept its affairs rather under cover. They didn't publicize what they were doing. There was evidence of strength, particularly with Schwitalla. Everybody asked, "What does Schwitalla think about this?" Without his approval it was difficult to get a position established. It



wasn't anti-Catholic. It was anti-competition.

WEEKS:

That's probably a better way of expressing it. Anyway, Hamilton said he talked that way to Mannix. He knew Mannix well enough. He was a close personal friend of his. Hamilton probably knew George the least of the three of them. Anyway, I thought I would ask you about that.

Here is where I am going to test my suppositions. Somewhere I read that after you completed this job on the Commission, you decided to take six months vacation, or at least a long vacation.

NORBY:

It was long.

WEEKS:

Not six months?

NORBY:

I am not sure, but I think it was a month. I can't remember.

WEEKS:

Anyway, you took a long vacation. Most people expected you to go back to Blue Cross, but instead, you went to the American Hospital Association. It seems to me that this must have been about the time that Rufus left Blue Cross.

NORBY:

Rufus left before we were through at the Commission in 1948, not much before, maybe six months before. I think the first that followed Rufus was Jeb, was it not? Didn't Jeb come immediately after Rufus?

WEEKS:

I think Jeb was last, because McNerney said that when he came to BCA Jeb Stuart handed him the key and said, "Now it's your job."

NORBY:

I guess it was Hawley who came in. The plans were thrashing around. They wanted leadership. Rufus did not want to be the fellow out in front that everybody was shooting at. Hawley was a rough, tough guy, and he could take it.

WEEKS:

I just imagined that you didn't want to go back if Rufus was not there.

NORBY:

That was part of it. The other part of it was that I felt just the reverse of why I went to the Commission on Hospital Care in the first place. The first place was so that we could say, when I came back to Blue Cross, "Well, we have got someone here who has had hospital association experience, he knows what's what." I liked George, I liked what I saw in him in the association. It was growing. It was growing without the problems of growth, youthful growth, and ego ambition that the Blue Cross Commission had. I thought maybe that the hospital association would do well if they knew better what Blue Cross problems were. I thought now that I could serve both Blue Cross and hospitals best if I was on the hospital platform. George offered me the secretaryship of the Committee on Blue Cross and Prepayment Plans. Thereby, I was an officer of the American Hospital Association and could deal with my peers on the Blue Cross Commission. I thought I could do the commission a better service if I was on the inside of hospital circles than I could if I was back in the commission family. Also, I liked George's method of operation. He was direct and he was not personally ambitious. He didn't show that at all, but he was ambitious for the Association.

Shortly after I came there, George called for a think meeting with Kenny

Williamson, Foley, myself, and Dr. Halderman, who was secretary of the Council on Professional Practice. We went to the Ambassador East Hotel and locked ourselves in a room.

WEEKS:

This is what George called his retreat, wasn't it?

NORBY:

That's right.

WEEKS:

Was this when you discussed what the Association should do? And you decided?

NORBY:

That's right. We decided the work programs of the Association should include: education, standardization, representation, and research. All the programs of the Association should have some phase of those activities intertwined in their work assignment programs. We used a blackboard and worked this thing all out as to what were the bases of the programs.

WEEKS:

Kenny Williamson was there also, wasn't he?

NORBY:

Yes. Kenny was there.

WEEKS:

Kenny must have come to AHA while you were on the Commission on Hospital Care, didn't he? He came right after George arrived.

NORBY:

Right after George. He was one of the first ones employed. He came out of California.

WEEKS:

When you decided what the objectives were, did this go before the board or house?

NORBY:

George brought the proposed work program for consideration by the board and they agreed. It was diagramed into the Council of Administrative Practice, the Council of Professional Practice, the Council on Prepayment and Blue Cross. George was great on diagraming and drawing lines of authority, and shades of authority. The Council on Administrative Practice had more education in it. Standardization was emphasized by the Council on Professional Practice, I can remember hospitals were using about seventy kinds of suture needles. They got them standardized down to twenty or a number like that. They got everyone to agree to the standards. That was the kind of thing that George did. His emphasis was on how to do it, how to improve hospital administration, how to help hospitals and hospital administrators, how to administer better care for all the people.

WEEKS:

Is this when you developed the different manuals?

NORBY:

This what they were doing. In those years, for example, they got out a laundry manual. They had a committee with a couple of administrators and three or four good laundry operators, laundry managers. The secretary of the Council on Administrative Practice was present to assist the committee. They would first agree what the table of contents should be and then assign people to write chapters in the manual. Then they would criticize the chapters and edit them and so on. This one was having a hard time getting done. I can

remember that Kenny Williamson told his committee, "Okay, you guys are to go in that hotel room and you are going to stay right there. You are not even going out for meals (we'll have them brought in) until you come out with that manual." They were how-to-do it manuals. They had quite a number of them on different hospital departmental operations. There was no hospital literature at that time.

WEEKS:

There hadn't been much in the way of publications outside of Hospitals had there? So this was an entirely new phase. You had to market them after that.

NORBY:

We gave every hospital a free copy--of all these manuals. Then they were for sale to nonmembers and for extra copies. Every member got a copy. Some of them were procedural bulletins really, four to six page pamphlets. Every hospital got them. That was George's attempt to have a formalized work program that would improve hospital administration.

WEEKS:

These manuals included standardization information?

NORBY:

Linens would be another. They would standardize that, and that would go to the manufacturers and get their approval--to make this size bed sheet. That became the standard hospital sheet. Every manufacturer made them for sale in the standard size. It was done with the manufacturer's approval. It was strange that wasn't done back in the first World War time. They standardized industry but they didn't standardize hospital material and equipment. George emphasized hospital administration and programs that improved patient care. He de-emphasized representation in government. We had

very little formal contact with government--no lobbying, for example.

WEEKS:

But you did have...

NORBY:

The Hill-Burton program, we had that contact with the federal government, and with the states.

WEEKS:

But you did have an office in Washington way back...

NORBY:

That Washington office was more of a procurement office for hospitals during the war.

NORBY:

I knew they had to have an office during the war. But that is what it was?

NORBY:

A procurement office. It really was to get action from the agencies of government and the regulatory bodies in government which were controlling the way materials were distributed to hospitals. As such, the AHA was looked upon by Congress and by government agencies as a source of information for them to better establish their regulations, their rules of government that impinged on hospitals.

WEEKS:

But there wasn't much done in the way of lobbying or getting acquainted with the legislators.

NORBY:

In fact, when the law was passed that required all lobbyists to register, the American Hospital Association complied with the law, but declared

vehemently that it was not a lobbying organization.

WEEKS:

I think George Bugbee registered as a lobbyist, didn't he?

NORBY:

He did, but declared he was not a lobbyist. He was an educator but would register under the law because the law required it. He was very strict that he was not a lobbyist.

WEEKS:

Back in the early days when you were developing the manuals and that sort of thing, this was when they started Trustee magazine, wasn't it? That was one of Kenny's babies, wasn't it?

NORBY:

Kenny first organized the auxiliaries, the womens' auxiliaries. Many of the hospitals were having voluntary helpers, groups of helpers, but with no pattern of how they should be organized or what they should do. So he formalized that. Then he had the auxiliaries newsletter published by AHA. That was really the first publication that was written for a specialized group within the hospitals. The next was Trustee magazine. The American Hospital Association board had grave misgivings about publishing a magazine for hospital trustees.

WEEKS:

The trustees or the administrators had misgivings?

NORBY:

The administrators did. They were fearful that the trustees would get ideas that were not consistent with their own as administrators and then they would have trouble with their trustees. The administrators were very leery of

that.

WEEKS:

I think there are still a lot of administrators who think that the less they have to do with their trustees the better off they will be, except that now they are beginning to realize that the responsibility of the trustees may become very real, and maybe they had better begin to use the talents of the trustees.

NORBY:

Besides the Trustee magazine, what else?

WEEKS:

Kenny Williamson had quite a lot to do with setting up state associations, didn't he?

NORBY:

Yes, he did. He had been working early on with the California state association. There were some very weak state associations. He had charge of the Council on Administrative Practice. He also had the Council on Association Services. This involved working with state associations. Yes, he did have a good deal to do with their development.

WEEKS:

What kind of a man was he to work with on your level there where you were working day by day together?

NORBY:

Kenny was not an easy person to get to know. He was somewhat of a loner. He was never dishonest in his relationship with people. He was outgoing. He did not socialize with the staff people. He was good in groups.

WEEKS:



He wasn't a good one-to-one man?

NORBY:

No, he wasn't. He worked alone. He developed his ideas alone. He could sell them well. He was personally ambitious. That's something folks worried about. There was competition among staff members. They were a little leery of Kenny because they knew how smart he was, and how hard he worked on projects. He was well prepared. He was just hard competition staff-wise.

WEEKS:

I got the feeling in talking with him... At first he was very cool and correct, I didn't get a feeling of warmth. But after I talked with him an hour or so he warmed up and seemed quite nice about it.

NORBY:

There was competition between Kenny Williamson and myself. I think Kenny was the first employee that George Bugbee hired. Kenny was doing most everything. He was guiding most every activity that was being scheduled. Bugbee was looking for more help so when he asked me to be Secretary of the Council on Prepayment Plans and also to review the whole operation at headquarters, I'll never forget the cold shoulders and fishy eyes I encountered on that assignment. I am no accountant but when I got down in the accounting department--ostensibly what I was supposed to do was work in every department about a week to find out what the Association, what the staff, was doing. I got down there and found the accountant had tapes that were torn in parts. They weren't continuous tapes as I thought tapes should be. There were some other little odd things. I found that the guy had been substituting checks for cash when he made bank deposits. His books that he had were in bad shape. He double entried them... Anyway, he resigned and repaid our losses.

Kenny, I think had set up the system. We were a bit at odds as to who was responsible. Was it the bookkeeper, or the system?

Kenny lived within two blocks of us in Evanston, Illinois. My wife and his wife and our two kids--his boy and my girl played together--our families would get together every once in a while. There was nothing vicious in the relationship but it was strained. He would look at me as if to say what's this guy up to? Is George more interested in him than in me? Finally it turned out OK before hard feelings surfaced. Kenny went to work at the Health Information Foundation.

WEEKS:

He went to Health Information Foundation and...

NORBY:

And stayed there until Admiral Blandy got out of there until or something happened. I have forgotten the details.

WEEKS:

It was a sort of an embarrassing situation for George Bugbee.

NORBY:

Kenny was gone definitely before George was invited.

WEEKS:

George had already appointed Kenny to the Washington office. Kenny gave notice to Health Information Foundation that he was leaving. Before he had a chance to leave, Blandy died. Then George was offered the job to head HIF in replacement of Blandy. I think Kenny felt that if he had been back in AHA he might have gotten George's job. Who knows? I think Kenny was always a little bit sad about the fact that he didn't become the successor to Bugbee or the successor to Crosby. I think he felt a little short-changed. He didn't blame

George. He spoke very nicely of George. It was just a situation neither of them could anticipate.

NORBY:

It bothered George Bugbee. I was real close to George at that time. I traveled with him. George was personally upset. Ethel and I went with him and his wife in the train when he went to New York for the final interview when he had to say yes or no. He didn't know until the night before the meeting whether he should take it or not, and did. Then he got thinking that Kenny might think he (George) pushed him (Kenny) out of the HIF job into the Washington office in order that he (George) could climb into the HIF job. That was George's feeling. But, of course, he didn't do any such thing.\*

WEEKS:

Williamson told me that George didn't know anything about it. It just happened that way. George had thought that he was doing Williamson a favor by recommending him for HIF originally. Then he thought he was doing him another favor by offering him the Washington office later on.

NORBY:

Blandy evidently was not a very easy man to work with. Also he did not give Kenny a chance to move up in that organization. So that is why I think Kenny accepted the job in Washington because he thought he was just standing still with nothing developing. He thought Bugbee was really doing him a favor by relieving him of that situation. From the outside it looked peculiar.

---

\*Editor's note: George Bugbee offered Williamson the position of being head of the AHA Washington Bureau. In the meantime, Admiral Blandy died, and Bugbee was offered the job as head of Health Information Foundation.

WEEKS:

He was a long time in Washington, and apparently did a very good job there until Nixon came in. I interviewed several persons in Washington and always asked about Kenny and what his relationships were with congressmen and other people, labor, and so on. They all seemed to say that they could always depend on him to give them good information, straight information, and cooperation.

NORBY:

There was no conniving. It was always direct. He had that reputation in Washington.

WEEKS:

Crosby didn't know him as well as Bugbee did when Crosby took over Bugbee's job as Executive Secretary of AHA. I don't think he wanted to give Kenny as much of a free hand as Bugbee had.

I somewhere read the story that back at the time Kenny was getting into trouble talking about Nixon, Frank Groner was to make a presentation to a congressional committee and Kenny wrote the testimony. I think Crosby saw it and sent you to Washington to edit it or change it. Is that true?

NORBY:

That's exactly the story. That's right. Groner was quite--very--conservative as president of AHA.

WEEKS:

Was he at Baptist Hospital in Memphis?

NORBY:

Yes, Baptist Hospital. In those days the officers gave the congressional testimony--the president usually gave the testimony. Almost exactly as you

said. I don't think Crosby had seen the testimony. He sent me there to protect Groner is what it was, really. I had to go to Kenny and read the testimony and see what I thought Groner would object to. I knew Groner pretty well. Then Kenny and I had a discussion. He was holding to his position. Kenny was proposing things that were on the edge of hospital policy, a little more liberal. So Kenny and I came to an impasse. So I said, "Ask Groner." Groner had come to Washington the night before his presentation before the congressional committee. So we got him involved. Sure enough he objected to some things more than I had. So Kenny pretty much threw up his hands and said, "If you guys want to, go ahead rewrite the damned testimony." So we did, I did, in his office. Groner approved it. Kenny read it and finally reluctantly approved. We had gone over his head. He was the Washington representative. It was not a happy circumstance.

WEEKS:

I can understand that.

NORBY:

Groner got it the way he would report it. I thought it was adequate to present the Association's position, but it was not as liberal a presentation as Kenny wanted it to be. That is one thing in the Washington office--Kenny's liberalism--that created problems between himself and Crosby. It was not his relationship with congressional members or department heads in government, it was really his philosophy and his liberal positions. Crosby thought it was a little more liberal than the Association policy.

WEEKS:

I think the Association is likely to be a little more conservative, just because it has a lot of conservative members.

In my suppositions I am looking... When was it, in 1951, that you took another leave to become a part of the Commission on Financing Hospital Care?

NORBY:

I didn't take a leave from AHA, but I took the responsibility to see that the Commission on Financing Hospital Care didn't fall on its face. What had happened was that we in the Commission on Hospital Care had set up a program for development of hospitals in the future, but we had said nothing about how that program should be financed. That was done purposely because Nelson Cruikshank was the proponent of compulsory health insurance. The opponent, the vocal opponent, was Roy Ryerson of Inland Steel.

At the meeting of the Commission on Hospital Care at which we were to discuss the financing of hospital care it became apparent that we would not come to an agreement. So Ryerson, who was the vice chairman of the commission, said, "All you other members of the commission, move your chairs back from the table and Nelson and I will negotiate this issue. We have been across the negotiating table many times."

They compromised and said this was going to cost a bunch of money to run these hospitals and that a voluntary method of payment through a prepayment plan of some kind should be given a chance to accomplish the financing. If that plan did not work out, then government assistance for the financing should be considered. This is about all that was said in the Commission on Hospital Care report. So, in my Council on Prepayment and Hospital Finances, what it finally turned out to be, it was suggested that somebody ought to be thinking about financing hospital care just as the Commission on Hospital Care did about extending the availability of hospital care.

I said, "What we ought to have is nother commission, one just on the

financing of hospital care."

I was urged to write up a proposal. So I did and presented it to the Council. They thought it was OK. Now we had to raise money for another national study. I had written the prospectus but I had the wrong objective. I had the emphasis on the "financing of hospitals." When I went out to raise money the foundations said they were not interested in financing hospitals. They were interested in financing the care for the patient, to help the patient finance care.

The Board of Trustees of AHA had gotten into this effort by now, for this would be another big project for AHA. I had prepared a budget of about a quarter of a million dollars for this one. They realized that they would have to get medicine involved too, so they invited Morris Fishbein of the American Medical Association to be on the organizing committee. My Dad was there as president of the American Hospital Association. Crosby, and Bugbee, I think they had asked him to sit in.

WEEKS:

Wasn't Bugbee still there at AHA?

NORBY:

He was the Executive Secretary. Crosby was president elect of AHA, I believe. We had presidents and past presidents of our organization, plus the Council on Financing, the chairman and a couple of others. We had to rewrite the prospectus because I had the emphasis wrong.

Fishbein got interested for some reason or other. He said, "Norby, you are doing a good job. Come on, you come out to my house next Thursday and together we'll rewrite this."

WEEKS:

He took a great pride in his ability to write.

NORBY:

So I went out to his house that Thursday and the next Monday or Tuesday. I had lunch out there and we wrote and wrote. He was a backslapper and he was complimenting me on what a good writer I was, and this kind of stuff. We finally got it done.

The committee met and approved it and we were ready to go out and raise money. Again, like with the other commission, we knew the potential contributors were going to ask who would be responsible for this study. We had to get a director before we could raise money. The committee looked for a director, asked people, just couldn't get a director. It was going to be a two-year study. Finally at one of the committee meetings, someone--I have forgotten who it was, maybe it was Ollie Pratt--said, "Here we have the director sitting right with us. Maurice, you dreamed up this project for this council. Why don't you direct it? We will give you two years' leave of absence. You will, won't you, George?"

George said, "Sure."

I sat there thinking.

They said, "Come on, how about it? You know all about it, we don't have to tell you anything about it."

I said, "No, I can't take that job. It would interfere with my four five-year plans."

"What four five-year plans?"

"Yeah, I have four five-year plans I am working on."

I have forgotten the details now, but I think I said, "The first years with AHA I have been working my pants off, just going as hard as I can. I



have been trying to build a reputation as a good guy, and, I think, I am making it. Each year I am saving \$2,000. At the end of my first five years when I have my reputation built, I'll have \$10,000 in the bank and I'll have a fine reputation. The next five years I just work normal, but nobody recognizes that I am not doing as much as before. I have gotten a raise in the meantime, so in the second five-year period I take out \$3,000 each year and save it, so in five years I have \$15,000--\$25,000 altogether. They still think I am fine, I get my raise. In the third five-year period I don't do a darn thing, I just sit on my duff. Folks keep looking and wondering: is it the same man? I get another raise so I save \$4,000 each year making it \$20,000 for the five years or \$45,000 altogether. Now, they are really wondering, they don't give me a raise. I work for another five years and I am not doing a thing. They finally caught on: this guy is a loafer, he is a nothing, he isn't worth it. I save another 20,000 bucks and it takes them five years to make up their mind, and they are ready to fire me, to give me the axe, so I resign, I retire, retire early, retire at age 55. I have got myself around \$90,000 so it is time to retire and I leave.

So I said, "I can't possibly take this job because it would interfere with those five-year plans."

George says, "Aw, you!"

I said, "No, I don't want it. I don't want to do it. I have had enough of this type of study work."

My Dad came up to me and said, "Maurice, they are going to begin to believe you if you keep on saying that sort of thing in public."

I said, "Well, that's my plan."

You know, in all my time at AHA only one person referred to my four

five-year plans. Crosby was at that meeting.' When he became my boss every little while when I would object to doing something, or get somebody else to do something for me, he would say, "Which of the five-year plans are you in now?"

I am just telling you this because the Commission on Financing Hospital Care was hard to organize and to find a director. The first one we found was Graham Davis. Graham was getting ready or had just retired from Kellogg Foundation. On the staff--and I was partly responsible for recruiting him--was Harry Becker. Harry Becker had been working Cruikshank--no, no, he was UAW. He was fairly close to Reuther, and very liberal in his thinking. He was rather disorganized in everything he did. He would go barging in and do things without authority. They were getting nowhere fast. Graham Davis was bewildered. At that point, they didn't give me time off, they asked me if I would keep an eye on the project and spend some time with its staff. We had had to house them a block and a half away from AHA in another building because we didn't have space. We were still at 18 E. Division Street at the time.

Then Graham died.

They said, "You get in there and run that thing while we are getting a new director. I was still on the AHA payroll. I was actually working over in that building again basically to keep Harry Becker in control and to... Sigmond worked for them there too, didn't he?"

WEEKS:

I think he did.

NORBY:

Sigmond is no one you push around. He had ideas too, though. It was kind of at loose ends. I think the next director we got was John Hayes, is that

right?

WEEKS:

Bachmeyer came next, because Bachmeyer died too. They brought him in after Davis, I think.

NORBY:

I guess so, for a little while.

WEEKS:

Bachmeyer died at the Washington Airport, didn't he?

NORBY:

Yes, I picked him up at the airport the day he died.

WEEKS:

Then John Hayes. Hayes was a friend of Bugbee, wasn't he?

NORBY:

John Hayes had been president of AHA. He wrote a column in Hospitals, a humorous column, a marvelous one. So John Hayes came. We were limping along. Then something happened to Hayes and he got out. Then the president of the University of North Carolina at Chapel Hill...

WEEKS:

Gray?

NORBY:

Gordon Gray.

WEEKS:

Was he chairman?

NORBY:

I went down there and talked with him. You see, my daughter went to Duke in Durham near Chapel Hill where Gordon Gray was president of the University

of North Carolina. I knew Kay Kyser very well. He lived across the street from the university. That's another long story. He and I traveled together when we were promoting good health care in the United States. It was a big program. We started in North Carolina and picked it up for national broadcast. Gordon Gray was there and he just had an awful time with Harry Becker again.

WEEKS:

Gordon Gray came right into the office as director?

NORBY:

No. Hayes stayed on as director of the project and Gordon Gray was chairman of the commission.

WEEKS:

That was my understanding, and Cecil Sheps worked for him, didn't he?

NORBY:

Yes.

WEEKS:

What was Becker supposed to be doing?

NORBY:

He was a staff man and was writing the report.

WEEKS:

What kind of investigation did you do to find out about financing health care?

NORBY:

To me it was a complete waste of money. They made reports in about four volumes. It was on voluntary effort, the government--how much the government was already paying out for care. It was a collection of a lot of information

but when it came to recommendations they were vague and inconclusive. To me that commission was just a fiasco.

WEEKS:

Andy Pattullo used a pretty good expression to describe the Commission on Financing Hospital Care. He said, "It was ill-fated."

NORBY:

It was ill-fated.

WEEKS:

After Davis died, Bachmeyer died.

NORBY:

Anyway I had to go down there to Chapel Hill and hold Gordon Gray's hand numerous times. He wanted to resign and get rid of this thing. Cecil Sheps was no help because Cecil didn't like Becker and he could see Becker's hand in this thing, from the union standpoint. It was a difficult exercise of frustration.

WEEKS:

When you got through with that, about 1953, when they appointed you Deputy Director of AHA. That was before Bugbee left AHA, wasn't it?

NORBY:

Yes, I think it was.

WEEKS:

I wondered if that was not in recognition of your good work after these two commissions, and so forth.

NORBY:

Not necessarily. I had been working closely with George to the point where we knew we needed a new headquarters building. George was in England

attending the coronation of the Queen of England with his brother-in-law and sister-in-law Alfred Lunt and Lynn Fontanne. George thought it advisable to upgrade my title so that I could act on his behalf during his absence. I found the Crane mansion located in about the 1600 block on North Lake Shore Drive in Chicago, The president was with him, whoever was president of AHA then. I telephoned George in London and told him what I found. He said go ahead. Then I had a group conversation with all the AHA board members, and concluded that probably this was the thing to do, buy that Crane mansion, it was up near the park on Lake Shore Drive. We had opposition from people who did not want a commercial place there. We would have to change zoning. It just couldn't be put across. It was lucky we couldn't. Crosby wouldn't have got this present building.

WEEKS:

Was this after the Choir College episode?

NORBY:

Yes, this was after our consideration the Choir College in Princeton, New Jersey.

WEEKS:

That was a dream for a couple of years, wasn't it?

NORBY:

Yes, it was.

WEEKS:

That might have been a good thing.

NORBY:

That would have been okay. The Choir College decided not to sell.

WEEKS:

I know they changed their mind.

NORBY:

We would have gone there. In fact, two of our staff bought lots in Princeton on which they planed to build houses.

WEEKS:

It would be a nice place to live. I was down there to talk with Anne Somers.

George left AHA about 1954, didn't he? Wasn't that about when he left? You stayed on.

NORBY:

When George left, they appointed me as the interim director. Then they had a search committee. They approached me and asked me if--I don't know if it was "interested in" or "would accept." One or the other. I had two very good friends on the committee. One of them was John Hatfield. He became Dad's partner in a hospital consulting firm. That happened after a while. I told them that I was not interested in running the association basically because I never had had hospital administration experience. I thought a person in that job should have some experience in hospitals. The other reason was that I used to go duck hunting up in Minnesota. When we would see a bunch of ducks come along we would always shoot at the front guy. I didn't like to be out there to get shot at. I meant that. I told them I thought they should ask Ed Crosby if he would come.

They said, "He wouldn't come."

I had proposed Ed Crosby for the directorship of the Joint Commission on Accreditation of Hospitals and he left Johns Hopkins to accept the Joint Commission job.

WEEKS:

We have got to go back to this later.

NORBY:

You mentioned how I got in as Deputy Director of AHA. I was that, then I was interim director, and I could have been director, I am sure if I had said, "Yes." But I didn't, and Crosby was selected.

Then Crosby wanted all of the supervisory staff to resign. For some reason he got that from the military or someplace in government. He got letters of resignation from everybody, every supervisor but one, then he rehired them. His point was that he didn't want carryovers from somebody else's employment. He wanted to say, "I hired you." I wouldn't give him mine. I said, "Nix, I am working the way I like to work and I am not going to resign and to take a chance on your not rehiring me. If you don't want me, you can fire me, but you can't hire me."

He was a little disturbed by my attitude toward his request for resignation, but he didn't fire me. He made me Deputy Director again.

WEEKS:

Let's go back before we follow your career there and pick up your efforts in the forming of the Joint Commission.

NORBY:

That is when George was Executive Director of AHA.

WEEKS:

The crisis, let us say, came about when the American College of Surgeons said they could no longer afford to carry on the standardization program.

NORBY:

That's right.



WEEKS:

Did they approach George, or did he hear about it?

NORBY:

No. Dr. MacEachern, who had been a hospital administrator, I think in Quebec in his early days and now was Director of the American College of Surgeons and had been responsible for hospital standardization program conducted by the College, was a frequent speaker at hospital association meetings. He had served on many important committees of the AHA. So when ACS decided they didn't have money to support the standardization program, MacEachern suggested to ACS that the logical people to do hospital accreditation was the American Hospital Association. So the American College of Surgeons actually approached George to ask him to approach his board to determine whether they would like to take on that work and expense. They went through all the details of the work and the expense to the college. George presented it formally to the board and recommended acceptance of the transfer of the program to AHA. There was not a lot of love lost between the American College of Surgeons and the American Medical Association. That wasn't the reason they came to the AHA. It was because it was a logical move.

WEEKS:

When did the AMA hear about it?

NORBY:

I don't know where they heard about it. It was easy for that information to get to them. When the AHA accepted the invitation in principle, that they would take it over, the AMA formally disapproved that transfer. They asked that it be transferred to them to keep it within the medical framework, medical control. There was a little jockeying, then they said, "Let's have a

meeting and see how we can do this, maybe jointly."

From that joint meeting, which was informal, they decided that the American College of Surgeons should be represented, the American College of Physicians, and the Canadian Hospital Association (no, that wasn't Canadian yet), and the AMA and the AHA--just those four.

At that point they invited the president and, I think, the president-elect or the past president, one or the other, of each of those four organizations plus the executive secretaries to a meeting--the secretaries without vote. How I was selected to be recording secretary, I do not know, but I was nevertheless. At the first meeting they had, the doctors sat on one side of the table, all of them strung out, except the College of Surgeons representatives, they sat on the other side of the table with the American Hospital Association group. Both sides glaring at each other. I have never been in such an uncomfortable position. Dr. Gunderson from LaCrosse, who was the immediate past president of the AMA--no, I believe he was the president that year--was elected chairman. The objective was to write up a program of accreditation of hospitals. They wrote their objectives which really would be the preamble to bylaws. They did this at the first meeting and seemed to get along pretty well with it. They knew they would have to have bylaws and would begin drafting them at the next meeting.

Someone said, "Mr. Norby, would you please bring in some boilerplate, some things you think ought to be in the bylaws? We can then go from there."

This I did. I went to bylaws of various medical groups and selected sections within the objectives the organizing committee had stated. I brought this material to the committee and they started working them over at the next meeting. As they worked they began to feel more comfortable. We had frequent

meetings. They would take a section that I brought in and go through it. I would note their objections and make changes. We would bring that into the next meeting and they worked on a new section. Finally everybody was happy. Then the Canadian Medical Association said they would like to be in the program. So the committee expanded the bylaws to include them.

The folks were feeling much happier, and the preliminary budget distributed projected operating costs among the member organizations. Everybody was bearing a portion of the operating expense. Then they needed to find a director, and they were searching around. At one meeting I said, "How about Dr. Crosby at Hopkins?" They said that we couldn't possibly get him. I knew a very good friend of his, Dr. Russell Nelson. So I said, "I think we may be able to get him." I said, "Dr. Gunderson, if you wait, I'll make some inquiries around, and they I'll let you know. Don't invite Crosby before he is softened up a bit."

So I got Nelson to approach Crosby. To Crosby it was unthinkable at first. Then Gunderson formally invited him and to everyone's surprise and delight he accepted.

Then we were going to have the organization meeting at the Drake Hotel on a Sunday morning. The doctors most always met on Sunday, they didn't want to interfere with their practice on week days. I knew the people at the Drake very well, all the kitchen people, the waiters and all this work force. I arranged the meeting and the breakfast. (I had gone to the hotel to arrange some things the night before.) We sat down at breakfast, a good breakfast. Gunderson, the dignified doctor from LaCrosse--now he was past president of AMA--and a fellow from Napa Valley in California who had been past president of AMA before Gunderson, not an easy man to get along with... Soon as the

meal was over and the plates had been collected in walked the waiters with trays with stemmed glass wear, goblets with bubbles coming up through the amber liquid.

Gunderson said, "No, no. Stay away. We are here to do business, we don't want any drinks."

I had told the waiter to bring in the glasses and set one down in front of each person no matter what the chairman said. I said, "I know they are going to object to this." So the waiters did as I requested.

This fellow from Napa Valley said, "It looks like good California champagne. As long as it is here let's all stand up and toast to the success of the Joint Commission."

We all stood up, put our lips to the glass, then with funny looks on their faces, the commissioners sat down.

Bugbee said in a loud voice, "Maurice, you are up to your old tricks again, aren't you!"

They saw the bubbles coming up through the amber liquid and thought it was champagne. It was beer.

Someone said, "If you, Maurice, bring this beer into us, you are going to drink it."

So I had all those champagne glasses filled with beer placed in front of me. They then elected officers. It was hard for the chairman to get that meeting adjourned. They were complimenting each other, saying great things. Everyone had to make a speech complimenting the other people. They were so happy and so pleased. I never have seen such a change in a body in a year and a half. Animosity was completely gone. They were ready to go to work and do a good job. Crosby had accepted. He was there.

WEEKS:

Crosby didn't enter into the preliminary work, did he?

NORBY:

None of it, no.

WEEKS:

As I remember it, you were about two years planning it.

NORBY:

It was about two. I said a year and a half, it was closer to two years that we worked on this.

WEEKS:

Another little story about Crosby. I don't know how true it is. When George left and Crosby was offered the job at AHA, didn't he have a few misgivings, I mean, his druthers would have been to become head of AMA?

NORBY:

Crosby never expressed that to me. Dr. George Lull, I think he was a Texan, he was a general, was executive director of AMA and I think he was leaving about that time. He was on the negotiating team I know. I mean on the Joint Commission. I think it was about the time they thought he was going to leave the AMA as executive director. I heard from many sources that Crosby was wondering if he might get the nod from the AMA and if that might be the preferable job. There was some delay.

WEEKS:

What kind of man was Crosby to work with?

NORBY:

It's difficult for me to answer that because I had such a special relationship with him. To me he was very easy, very easy to work with.

WEEKS:

He didn't frighten you?

NORBY:

No, he didn't frighten me a bit.

WEEKS:

But many people he did?

NORBY:

Yes, he did. I always had the feeling that Ed was personally rather ambitious for status, not ambitious for money. He liked to be acclaimed. Part of it I think was his background. He grew up in a very important setting as far as the Salvation Army was concerned. His father was--I don't know what they call them--Grand Master or General of the United States, and his mother...

WEEKS:

He was head of the Salvation Army in the United States?

NORBY:

His mother was in a similar position for the women. Very high up in the Salvation Army official ranks.

When I was over in England a man in uniform got on the tram, the bus, and we were going for a fairly long ride. I talked with him, "You are with the Salvation Army?" I told him I worked with a fellow in the Army in the United States, Doctor Crosby.

"Oh, General Crosby!" He knew of Ed Crosby's father. "He was a great man."

I said, "No, the fellow I know is still there."

Ed worked in the Army atmosphere during much of his free time. He was a religious man but didn't demonstrate it. He worked in the church, in the

Congregational church in Winnetka. He helped them completely redo their bylaws and their government structure. The first year he called me almost every Sunday and said, "Maurice, it is time to get up and go to church." He wouldn't say what one.

WEEKS:

Did he have a sense of humor?

NORBY:

Yes, he accepted mine. Mine was gross at times. For instance, in a restaurant I might tell the waitress I wanted my eggs hard on the top and soft on the bottom. He would allow that stuff.

WEEKS:

He wouldn't crack it himself?

NORBY:

Not usually.

He had a memory for people and for faces that was phenomenal. He had an insight. For example, my philosophy always was to confuse my opponents with the truth. You can do that. He had the assumption that nobody was completely honest in negotiations with him or the Association. They were not honest. He was always looking for the reasons behind the words and so on. For that reason he was rather ruthless when he found something being done not according to Hoyle.

WEEKS:

There are stories I have heard about him. For instance, he and Vergil Slee didn't seem to get along at all.

NORBY:

Absolutely not, and he put me in charge of the AHA's interest in that

operation.

WEEKS:

You know, when CPHA was started, was incorporated, Kellogg, which had been supporting it, insisted that there be a national committee composed of the leading organizations: AHA, American College of Surgeons and so on. I don't know whether by appointment or how it happened, but AHA seemed to take over the supervision of the business side of it. Slee tells about the first year or two every month CPHA had to send all the invoices, and all the checks and everything to Chicago to be reviewed before they could pay their bills. That kind of petty stuff, you know. I can see where it would make Slee go right up the wall.

NORBY:

I don't know how that developed. I got the word from Crosby one day, "Listen, you are going to be busy for the next three days, or five if necessary, at the Palmer House. You are going to be sitting in a hotel room down there with Slee writing the bylaws for this Commission on Physician and Hospital Activities (CPHA)."

I said, "What goes here?"

He said, "Andy Pattullo said that Kellogg would give money but they want it given to an organization and not to Dr. Slee." He took up the background. "They don't want it to be his organization, they want it handled by that group of organizations. You have got to set it up so we can assure Andy that it is going to run well and that it is going to be run financially right. I never asked for any invoices and that kind of thing. Somehow it came between Andy and Ed that the stuff was sent down there. I was the man from the AHA that was on the board of CPHA. Slee and I worked in the hotel room for three



days. He had a preliminary draft of bylaws written, but they were all slanted to permit control by Dr. Slee. I had to move those out so that control would be by the board. Afterwards I was devil's advocate in most of the meetings. If they would make a proposal, I would object to it and so on. Basically it was because Crosby had told me, "Don't let anything get by there that the Kellogg Foundation can't approve."

Andy didn't attend all meetings.

Ed and Slee just didn't... When I came back from a meeting and reported something they were going to do--build a new building or something, Ed would say, "Why the hell did you let him talk you into that for?" He and Slee were not compatible. I thought Slee was doing a good job.

WEEKS:

Slee is an idea man and he gets enthused and runs off and wants to get something done. I think he needed a brake of some kind.

NORBY:

Crosby was watching. He never would participate formally. He ignored us officially but he was watching us through his representatives.

WEEKS:

Andy Pattullo described them as two tom cats that don't get along together.

NORBY:

I don't know why they arched their backs, but they did. Crosby had definite objectives in mind. He was not as communicative as he might be. He emphasized representation more than the how-to-do-it, as Bugbee had done. I was involved, not deeply involved, in the International Hospital Federation. When Crosby came on the scene we were in there deep, running the organization really. I was sort of a recording secretary of some kind. Crosby got to be

president. He was reaching out for recognition of the AHA but... He was always involved.

WEEKS:

Wasn't Crosby in London when he became ill the last time? Wasn't he there for an International Hospital Federation meeting?

NORBY:

I think he was. We had them here in our country, too for a study tour through the hospitals on the East Coast. I was managing the tour. Crosby was there but he would not show up at minor events. On that study tour he didn't go through all the hospitals or with the group at all to its banquets and luncheons. He would show up now and then, only at the important places.

WEEKS:

So there was quite a difference in the association between Bugbee and Crosby?

NORBY:

Greatly different. The emphasis of the activities was completely different. Crosby was decisive and would make decisions fast--and I think he got more than his share of correct ones. For example, building the building at 840 North Lake Shore Drive. The board had agreed that they were not going to buy a used facility. He was the one who talked with Northwestern University to get the land--that we could rent it. He decided that we should dig the foundation right now because the prices were going to go up. The excavation was there a whole year full of water--they were pumping water out of it. He built it. He wanted that building and the board agreed with him. I think it was because of his aggressiveness that the Texas Hospital Association had the first annual AHA meeting after the building was started

and got the House of Delegates to increase the dues four times in order to pay off the building debt way before we were required to do so. They did it because of the way in which Crosby acted. He acted decisively and speedily.

WEEKS:

Didn't he have to go back a second time?

NORBY:

To build the building? He had to go back three times. The architects were redrawing the building several times.

WEEKS:

Didn't it overrun estimates?

NORBY:

No.

WEEKS:

I thought it did so they had to go back for more money.

NORBY:

No. We had plenty to pay off the debt. Putting the dues up four times took care of that.

WEEKS:

This leads me to two questions on money. One is a short one: Was HRET formed so that AHA could take money for the Commission on Financing Hospital Care or was it for some commission on the study of education?

NORBY:

Neither. My understanding was that it was to establish the National Health and Welfare Retirement Association, to take money to establish this. This was underwritten by a nonprofit group in New York. It was organized by the AHA for a pension plan to be used by hospitals and related health

organizations. It wasn't for industry or anything like that. In order to get a nonprofit organization operating that kind of business they had to be organized under 501 (c) 3.

WEEKS:

I have heard so many different stories.

NORBY:

It was used... It was organized so that it could get tax deductible contributions, which AHA couldn't do.

WEEKS:

Some day I am going to look that up and see what was the first. Andy Pattullo wasn't sure.

NORBY:

I think it was the National Health and Welfare program.

WEEKS:

It's trivia.

NORBY:

The next one I think was the Commission on Hospital Care. Taking contributions through the HRET made it possible to get money from foundations.

WEEKS:

I was wondering about this because Kellogg put some money in, and Commonwealth and maybe the March of Dimes.

The second question I am trying to find an answer for is, as I think we said at lunch: Where does AHA look for money for revenues? Is it from membership dues, is it from conventions, is it from publications?

NORBY:

Basically operating funds come from institutional dues. When I first came

about two cents per day of a patient's bill came to us. That was our base fund. Early on, the convention netted very little. First there was a lady who worked for Bert Caldwell as his accounting secretary, his membership secretary, and that kind of record keeping. She ran the convention. They didn't get much from exhibits. The convention was just a break even operation. Jack Williams was the sales manager for advertising in Hospitals. The exhibit section of the convention tied in with the advertising of Hospitals, so he took over convention exhibit management and sales. Then I took over from him. It began to be big business, big dollar business. When I left we were taking in a half a million dollars for the sale of exhibit space. I don't know what that was in relation to the operating expenses of the Association but just guessing I would say it was as much as a fourth. It was sizable. That money was pumped back into operations. I know it was always figured in the budget because Bugbee first, then Crosby, would come to me and say, "Listen, you have got to raise so many thousand dollars because it is in the budget that way." I would raise my rates for space rental on the exhibit floor. It got up as high as ten dollars a square foot, a thousand dollars for a 10x10 space.

WEEKS:

How about real estate? I have heard various stories about 840 North Lake Shore that they purposely had kept the rent down so that tenants like the American College of Hospital Administrators, Blue Cross Commission and the Hospital Association of Illinois would be encouraged to be there.

NORBY:

The rents were very reasonable. They were not as high as the going square foot rental around town. They wanted to get as many health service

organizations as they could under one roof.

WEEKS:

One place I think they may be making money is in their educational seminars. They seem to be running a lot of those. They get pretty good rates for them. That's big business now, educational seminars.

NORBY:

It sure is. When I was there they had to break even. We called them institutes then, three and five-day institutes. The various council secretaries, they are now called vice presidents, were competing with each other because every council had a certain number of institutes. They really were refresher courses. I can't say they were competing with each other to see who could make the most money. The most money in a year would be about \$5,000. That was not big money. As far as publication of the booklets: When I was there every member got a copy of every publication for free, and sales were minimal. I don't think that's true today.

WEEKS:

Oh, no.

NORBY:

A number of the publications seem to be done by outside organizations and published by various presses. The AHA is just a distribution cell.

WEEKS:

They should be making money on their publications. They have now separated the journals from the AHA.

NORBY:

That was forced on them by Internal Revenue because of the advertising.

WEEKS:

Advertising is way down now; Hospitals is pretty thin now, like many other journals. I hope that they are able to make money on it, at least pay their way.

NORBY:

Part of the dues for membership, institutional and personal--personal members have gone way up in size in numbers--part of those dues go to pay for the magazine. That's how they get by the Audit Bureau of Circulation. They say in the membership folder that a specified amount of the membership dues will be for the purchase of the magazine, Hospitals. That amount is transferred to the Hospitals account.

WEEKS:

That would be a reasonable way of handling it. Still it's a captive audience and gives them a good circulation to sell advertising for.

You became Secretary of AHA in 1959? Is that right?

NORBY:

That's right, 1959 to 1964.

WEEKS:

Before this Jim Hague had appeared on the scene, hadn't he? He was hired by George Bugbee, wasn't he?

NORBY:

Yeah. I interviewed him. Jim Hague was city editor of the Washington Post. John Storm, who had been editor of Hospitals, died. I don't quite know how Bugbee got wind of Hague, but he asked me to go and interview him in Washington. I was going down on business of some kind. We had lunch at the Mayflower and two martinis. When I came back I reported in full. I told George we had had two martinis.

"Did he ask for them?"

"Well," I said, "I can't remember, but I think I probably asked him if he wanted a martini."

"How about the second one? Did he want that?"

"I think he did."

"I wonder if we should hire him? That's the trouble with those reporters."

I said, "You go and talk with Jim Hague. I think you will be intrigued with him."

Jim Hague took me over to the Post after lunch to see the place. The minute we got in there somebody said, "Hey, Jim, there was a dry dive over on the bridge so and so. Shall we cover it?"

Jim said, "There is no sense in going over there. The thing is all done, a dry dive off the bridge on to the rocks down below."

Someone committed suicide in a dry dive. No sense in going over. No story now. Anyway, I saw Jim operate a bit there.

Then George interviewed him and hired him.

WEEKS:

Did Jim succeed you as secretary of AHA when you left Chicago?

NORBY:

Yes, he did. Pro tem for a while. How I left, in 1958 I told Crosby I was leaving in five years. Why? I can't take this. Too demanding and just too much socializing going with the job. I like socializing and I can't resist it. It's too much.

He said, "You are okay. You will get over that. You are just not feeling good today."

The next year I reminded him that I had four years left now. I continued



reminding him annually until 1963. I said, "I am at the end of my rope now. I gave you a five year notice."

"You can't go now."

"I want to go on my birthday, I'll be 55 years old."

"You can't do it. You have got to wait at least until the convention is over in the fall. Then you have got to do something. Where are you going to go?"

I said, "I don't know. Retire."

My wife and I had traveled together a great deal of the time. For five years we were looking for a place to retire. I chose California.

Getting into another question, for years I had wanted to set up regional offices around the country. Dr. Crosby allowed me to attend board meetings but encouraged me to say nothing. George was the guy that dealt directly with the board. We would have a think session of the new board, the new officers, early spring or late fall each year. At one of these meetings he told me, "If you want to present that foolish idea of yours go ahead." He wouldn't even stay in the room when I was talking to the officers about it. If he wouldn't even listen to it, there was no reason why they should, so his absence killed my proposal immediately. I told them that I thought that the Association should have eyes and ears out in the field to determine what the members wanted and to look and see what they needed and then communicate that back to the central headquarters so work programs could be designed to meet the local specific needs rather than overall general needs. I thought we should have a staff member in the field so that they would know there was someone listening to them and so that they could have a direct line of communication to the Association. Oddly enough the main objector to that concept in the officer

group was Jack Masur, the head of the National Institutes of Health. That year he was president of the American Hospital Association. The reason he objected was that he said that he could see in the Public Health Service the directors of the regional offices set up little kingdoms and operate independent of the home base and create tensions and pressures so that they could get what they wanted. He said there was constant worry about the little principalities that were developed.

Well, then when I was going to retire directly and Ed said I couldn't leave that I had all this background and so on. He said, "Why don't you do something for AHA. You can stay on as a consultant. Why don't you do something? Haven't you got something you want to do?"

I said, "Yes, I have got regional offices in mind."

Ethel and I had decided that we wanted to live on the West Coast.

I said, "What I will do, California and the West Coast are giving us the most trouble--we were always having trouble with California members--I'll go out there and set up a regional office and I'll work half time at half pay. I'll survey hospitals for listings. That way I'll get into them. I'll invite myself into all their regional hospital associations, city councils and so on, and really find out what they are thinking about AHA and what they want us to do. I'll do it for two years, not a day longer. If at that time you don't like what the regional office is producing, you have lost your employee. You haven't fired him. If anyone asked what has happened to me, you can say I just quit and you don't have anyone to replace me. You would have tried the regional office concept and that was it. There would be no worry, you wouldn't have to try it anymore.

So I did that. I chose California. After the convention we had a party

as they always do. Ethel and I took off and I set up an office in San Francisco. Ethel can type well. There was a long list of hospitals that wanted membership, California hospitals. They couldn't until they got surveyed by AHA. They were all over the state, so that gave me a prime entree to the whole state of California. I had picked Utah to Hawaii, Mexico to Alaska as my territory, for that region, but I kept mostly to California. I spent much more than half time. We would drive to these places, I would survey the place, I would write it out longhand. I had a survey form but the comments were in longhand. Then my wife would type up the form while I was out at the next hospital in the afternoon. I usually would do one in the morning and one in the afternoon.

At that time Babcock left the Joint Commission and then I got Porterfield. I went and interviewed him two or three times. He finally agreed he would go to the Joint Commission. I was doing that kind of thing. Also I went back to the Association each year to help them to operate the convention in the fall. It was the same with the annual meeting in December. I did that for those years, while I was in California.

WEEKS:

Crosby agreed to all this as you went along?

NORBY:

He agreed for me to go and do that because if it didn't work he wouldn't be saddled with a satellite out there that was giving him trouble. I could be washed out when I left in two years. Nobody would be fired, nobody's feelings would be hurt. If people wanted it to continue, he would have to tell them why it couldn't be done.

He thought the western office was going a little better than he had

thought it would (after it had been going about a year), so he established eight more regional offices to cover the entire country. Then he thought they should have more direct representation. It was at that point that he developed these regional advisory boards. First he got those boards to meet by themselves. The regional staff member would attend that meeting and listen to what was said, then that staff member would report it to a coordinator at headquarters in Chicago. It expanded further than that and they got a formal representative from that region into the Board of Trustees of the American Hospital Association.

WEEKS:

What do you think of that idea?

NORBY:

I haven't worked with it. To me it seems democratically unmanageable.

WEEKS:

I noticed that Jim Hague is against it.

NORBY:

Just as my term was over they were organizing the region in the West. I attended one meeting of it.

WEEKS:

This might be a good time to talk about the structure of AHA. Now you have the hospitals who work through their regional advisory board. Do they have councils? The councils are subject matter aren't they?

NORBY:

The councils are assigned according to subject matter to which they address their attention.

WEEKS:

The Board of Trustees and finally the House of Delegates.

NORBY:

The policy formation starts with the council, or did when I was there. The council then refers its recommendations to what is called the Coordinating Committee. That Coordinating Committee is made up of the chairmen of all the councils, such as the Council on Government Relations; the Council on Administrative Practice, and so on. Assume a council has a policy it wants to present to the Board of Trustees. First, the chairman of that council presents it to the Coordinating Committee to see that the proposed policy does not conflict with policies of the other councils. If they agree then that proposed policy goes to the Board of Trustees. I can't define the kinds of policies that have to go to the House of Delegates but I can give an illustration. If the Council on Professional Practice said, "We approve nursing education only in baccalaureate schools of nursing," that would have to go to the House of Delegates.

WEEKS:

Does the House of Delegates have veto power?

NORBY:

They have veto power on the Board of Trustees. They can initiate a program that they want and send it to the Board of Trustees and say, "We want you to consider adopting a policy on this matter, something new."

WEEKS:

They can jump over the councils to do that?

NORBY:

The House of Delegates has all power over dues structure and types of membership (the definition of who fits into what type and what memberships

should be composed of) and policy positions. They considered the proposal for regional representatives on the Board of Trustees.

WEEKS:

You have an inflated board then.

NORBY:

We have geographic representation on the board. They tried fairly well to have geographic representation on the board (under the old system) when all new members were nominated by the nominating committee. Now this Regional Advisory Board has the authority to put a man on the AHA board and no other group can vote on that person. So the fellow from that particular region is representing that region and not the rest of the country.

WEEKS:

So you have both appointed and elected members on the board?

NORBY:

I think it's unwieldy, and I don't think it's really a representative board. There are representatives of nine regions coming to represent nine sections of the country. The other twelve (I don't know how many there are now)... The other twelve that are nominated, and elected by the total membership represent the total country presumably. There is something incompatible in the present arrangement.

WEEKS:

I think your term "unwieldy" is a good one. It's pretty hard to handle, I would think. You have got yourself retired already. There are a few questions I still wanted to ask you.

C. J. Foley was the publications man in the early days, wasn't he?

NORBY:

He was managing editor of Hospitals magazine for a short time.

WEEKS:

Before...?

NORBY:

Before Mr. Storm.

WEEKS:

Before Storm?

NORBY:

Yes.

WEEKS:

Then did Hague succeed Storm?

NORBY:

Foley was also public relations for the Association. Foley's father was editor of Hospital Management.

WEEKS:

Was that Mathew Foley?

NORBY:

Mathew Foley.

WEEKS:

Another man who was in publications about this time, was it Letourneau?

NORBY:

Charlie Letourneau was secretary to the Council on Professional Practice. He, in turn, left us and went to become editor of Hospital Management. Letourneau was a Canadian, a physician, and, I think, he had been a hospital administrator for a short time.

WEEKS:

There were a lot of Canadians in the higher echelons, weren't there?

I have a few short questions I'd like to sound off on you. What happened to MacEachern after the Joint Commission was formed? Did he enter into the planning of the Joint Commission? Did he retire?

NORBY:

He was hired by George Bugbee. He had an office in the English basement, front room, of the building I had occupied with the Commission on Hospital Care. The American Hospital Association kept that building as an office adjunct. MacEachern was hired by Bugbee to be sort of a senior counselor to people who had hospital problems. A "Dear Abby" type.

WEEKS:

He was a kindly man, wasn't he? A benign kind of man?

NORBY:

Very kindly. He could speak on any subject at any time for anybody who would listen. It was hard to get him to stop talking once he had a platform.

WEEKS:

He wrote a famous textbook, didn't he?

NORBY:

Yes, he knew the subject of hospital administration. He was retired as a counselor of people with problems in hospital care, hospital administration. Many folks would come by his office and talk with him personally. Come to the office and get his advice. What happened to him ultimately, I think he just got a little older than anybody and he just went back up to Canada, and died. I am not sure of that.

WEEKS:

Didn't he have a daughter who appears every now and then. It seems to me



that a couple of years ago at the ACHA Congress that his daughter received some recognition.

NORBY:

He had a daughter, I knew that.

WEEKS:

She came down from Canada so maybe that is where he went back to.

Another person I hear about occasionally is Otho Ball.

NORBY:

His involvement in the American Hospital Association was very deep at one time, I understand. He wielded a great deal of control over the thinking of what the Association should be into. It was before I came in 1937. He had some kind of influence over Caldwell. He and Caldwell had some kind of working arrangement. Otho was telling Caldwell what to do. He published Modern Hospital.

WEEKS:

I have heard stories about him that he was very helpful to the hospital supply industry and people who were his advertisers. He could help them get going in business.

NORBY:

He was influential in the whole field, I don't know how. The name was used frequently. It was always spoken in a rather positive manner.

WEEKS:

If I remember correctly, it seems to me that AHA had space in Modern Hospital offices in the early, early days.

NORBY:

I think they did.

WEEKS:

A lady I hoped to interview, but unfortunately, she died in April was Anna Rosenberg. Did you have any contact with her?

NORBY:

I know nothing about her.

WEEKS:

Anna Rosenberg had a public relations firm, and I understand--probably this was after you left, although she had been in business a long time--Anna Rosenberg did public relations and personnel work, consultation, I suppose, for AHA, ACHA, and BCA. She was very prominent during Roosevelt's administration. She was a labor expert. She was a go between Roosevelt and LaGuardia, when LaGuardia was mayor of New York City, and kind of hard to handle. A good man but hard to handle, you know. I didn't realize it but she was the kind of person who had been in government so long--she had been Assistant Secretary of Defense, or some such job, she had been head of commissions for manpower, or whatever. So she probably knew everybody, and knew her way around, maintained her contacts over the years. She was a lady up in her eighties when she died. The story is--unfortunately I can't verify it--that a lot of these people who go to Washington, a lot of times Anna Rosenberg could pave the way, open the doors for them, make the appointments, and do this kind of thing. I just wondered if you had come across this.

We talked about John McNamara. I don't think there is anything more we have to say about him, is there?

NORBY:

I don't think so.

WEEKS:

Another thing, your father was one of the founding members, charter members, of the ACHA wasn't he?

NORBY:

Yes. Dad was an educator at heart. He had been in school administration. When he went to Fairview Hospital in Minneapolis, there was a building called Thomas Hospital that had been used to treat TB patients. It has been designated to be used as such for a specific number of years. About the time Dad came to Fairview that period was over, so he could use that building for whatever he wanted. He set up a school there for nurses education, much more than they needed, laboratories, lecture hall, demonstration equipment, etc. That interest in education carried over so that when he went to conventions he would say there should be some sort of degree for hospital administrators. He wasn't the only mover of the idea but talked about it frequently. He worked hard at the establishment and became a charter member of the American College of Hospital Administrators. He continued that interest all through his career.

WEEKS:

Wasn't there an attempt or at least some discussion about the AHA absorbing the American College of Hospital Administrators? Wasn't there talk that there was an overlap?

NORBY:

Yes, that continued all the time I was at AHA. A small group feared that that would happen. I never heard any serious discussion by people of influence in the AHA to do such. I heard many fears expressed that maybe AHA would take over some functions of the College. The ambition to do so was never seriously expressed by anybody of influence that I knew.

WEEKS:

That is interesting to hear because you still hear it occasionally.

Are you still doing consulting work?

NORBY:

No. I never have. Dad did. Dad and John Hatfield did consulting. No, my work in the hospital field ended at age 65 for the American Hospital Association. I was kept on by the AHA as a consultant to them. I was actually paid \$100 a month. They paid me for travel to their convention and their annual meeting. Every once in a while Ed would call me and say, "Hey, I have somebody--from Australia or someplace--who wants to survey the hospitals on the Peninsula. Would you take her or him under your wing?" I would take care of that person. Compensation for that service came under the consulting fee. The AHA had a rule that nobody worked for AHA over the age of 65. So at age 65 I got a nice letter with compliments saying I was fired. I was over age.

WEEKS:

Is there anything you would like to add? You want to talk about your views of the future? Is there any topic we haven't covered? What do you see as far as insurance or multihospitals? Are we going to be overcome by proprietary chains? Are HMOs coming in?

NORBY:

I am hopeful that the HMOs prevail over and beyond Blue Cross and Blue Shield. I have always held the view that we don't pay enough attention to preventive medicine. I think if HMOs are properly organized and if the public is educated as to their proper use, it will serve the purpose of reducing the need for hospital care, and health services generally. I also feel that the

pressure being placed on hospitals by payors, third party payors, primarily government, will require hospitals to exercise much more control over the extent of medical procedures, medical orders for services. I don't see that it can go on any farther in the present program whereby the vendor can tell the purchaser what he has to have, even when the purchaser doesn't know what he needs. There has to be some kind of peer review beyond that which exists today. I don't think that peer review will go by profession necessarily, it will go by type of facility, whether there be private practice of medicine, or group practice of medicine. I see nothing wrong with the combination of hospitals in a common unit for presenting care. There is a conflict right now between the nonprofit hospital having to provide free care to certain groups of the population, while the private for-profit hospitals provide care without giving any care away. Thereby they enhance their financial competition. I don't feel we can go forward forever saying the public right to hospital care has to be satisfied by care being provided only by nonprofit hospitals. I think nonprofit hospitals are going to organize in just as strong chains as the private hospitals have been organizing. I see this developing in organizations such as Sam Tibbits is building down in Southern California, and in the southwestern states.

WEEKS:

In your father's old territory, isn't there a lot of development up in Minnesota?

NORBY:

Yes, Carl Platou, the present administrator at Dad's hospital has developed many satellites. I think this kind of chain operation is about to come. It takes away a lot of the personal relationship in the hospital. It's

part of progress.

WEEKS:

You know the argument that chains use is, "We can hire these experts, we can send them out to your place," financial experts, for example. I am wondering if we are not sometimes misled by what is an expert. Because a man has a degree doesn't mean necessarily that he understands everything. I wonder sometimes if we are not selling ourselves on the idea that big is better. I can't argue the point with statistics but I still think there is a place for the small hospital if it doesn't try to exceed its ability.

NORBY:

I know there is. I agree fully with you.

WEEKS:

Being from California you have had a good chance to look at HMOs. Has anything changed in the Ross-Loos Clinic since they sold out to the insurance company?

NORBY:

I don't know.

WEEKS:

You don't hear anything?

NORBY:

No.

WEEKS:

It evidently hasn't changed very much. Does Kaiser go down in your Carmel area? Or just up in San Francisco?

NORBY:

They aren't near us. For ten years I have been out of touch with hospital

developments. I have made it a point to stay away from hospital meetings and so on. I do read the hospital journals but that isn't the kind of thing you are asking. Kaiser was very important in the California hospital scheme of things when I was working out there.

WEEKS:

I see our time is up. Thank you for your courtesy and kindness in this interview. It will be a valuable addition to the oral history collection at the American Hospital Association Library.

Interview in Deerfield, IL

June 9, 1983

INDEX

- Adelman, Perry 15,57-58
- Alabama 48
- Alaska 132
- American Blue Cross 55
- American College of Hospital Administrators 126,139,140
  - Congress 138
- American College of Physicians 115
- American College of Surgeons 114,115,121
- American Hospital Association 14,15,26,27,29,33,35,41,43,45-46,61,64,65,67,73,76,81,82,83,84,85,87,95,102,103,104,105,110,114,115,120,121,124,125,126,127,131,132,137,138,139,140,141
  - Board of Trustees 32-33,93,104,133,134-135
  - Building 70-71,107,123
  - Convention 4,5-6,22,27,132
  - Coordinating Committee 134
  - Council on Administrative Practice 93,97,134
  - Council on Association Services 97
  - Council on Government Relations 134
  - Council on Prepayment Plans 45,91,98,103,104
  - Council on Professional Practice 92,93,134,136
  - Guide Issue 81,85
  - House of Delegates 42,124,134
  - Journals 27
  - Library 28,144
  - Membership 44-46
  - Postwar planning 41-42
  - Regional Advisory Board 135
  - Secretary 128
  - Washington Bureau 81,95,99,100,101,102
- American Hospital Association/Blue Cross 52
- American Medical Association 13,23,68,79,84,104,114,115,118
- Anesthesiologists 47



Babcock, Kenneth 132  
Bachmeyer, Arthur 65,67,68,74,76,108,110  
Bacon,Asa 4  
Baker, Noel 59  
Ball, Otho 138  
Baltimore 53,54  
Baptist Hospital, Memphis 101  
Baylor University Hospital 4,13  
Becker, Harry 107,109,110  
Biloxi, MS 35  
Bishop Resolution 42,44,64  
Blanding, Sarah 67  
Blandy, W.H.P. 99  
Blue Cross 6,9,11,14,30,31,38,43,44,50,52,62,64,65,66,84  
Administrator 65-66  
All inclusive rate 50  
Chicago plan 53,54,57  
Cincinnati plan 60  
Cleveland plan 33,66  
Conference of Hospital Service Plans 61  
Cooperation with Commercial Credit 53-55  
Control 52  
Coverage 46  
Dallas plan 46  
Essex County, NJ plan 14,30  
Fringe benefit 48  
History 38  
Indiana plan 49  
Interplan Benefit Bank 49-50  
Maternity coverage 46-47  
Mental health coberage 47  
Minnesota plan 11,14,18,20,33,46  
National accounts 49,56  
New York plan 6,23,30,31  
Ownership of hospitals 51  
Payroll deduction 10

Blue Cross (continued)

Pittsburgh plan 20-26,46,47,63  
Plan approval 32-33  
Research and information 32  
St. Louis plan 62  
Separation from AHA 61  
Symbol 33-34  
Texas plan 36  
Blue Cross Association 90,139  
Blue Cross Commission 35,37,40,45,53,57,59,66,67,90,91,126  
Blue Cross/Blue Shield 52,59  
Blue Shield 46  
Boston 59  
Boys' Latin School 15,29  
Britten, Rollo 72  
Bugbee, George 35,41,43,61,65,70,72,81,82,84,86-87,88,89,90,91,93,  
94,96,98,99,100,101,104,106,110,112,113,117,118,123,128,130,137  
Burton, Harold 70,83,86  
Caldwell, Bert 27-30,61,87-88,126,138  
California 48,75,83,92,131,132,144  
Canada 138  
Canadian Medical Association 116  
Carmel, CA 143  
Catholic Hospital Association 73,87,89,113  
Chapel Hill, NC 108,110  
Chicago 7,12,15,18,26,30,33,48,49,50,54,73,133  
Chicago Tribune 29  
Chicago, University of 24  
    Program in Hospital Administration 80  
    School of Biological Sciences 65  
Choir College see Westminster Choir College  
Cleveland 22,37,57,65,86,88,89  
Columbia Hospital, Milwaukee 18  
Columbia University 67  
Commercial Credit Co. 53-55  
Commission on Financing Hospital Care 70,103,107-110,124  
Commission on Hospital Care 42,44,65-82,90,91,92,103,125

Commission on Hospital Care (continued)

Mailing list 78  
Relationship to American Hospital Association 65  
Report 84-86  
Commission on Professional and Hospital Activities (CPHA) 121  
Committee on Group Hospitalization 26,30,32  
Commonwealth Fund 42,43,74,85,125  
Congress 84,93  
Crane mansion 111  
Crosby, Edwin 59,99,101,102,104,107,111,112,113,116,118-119,121,  
123,129-131,132  
Cruikshank, Nelson 103,107  
Dallas 4,36  
Davis, Graham 107,108,110  
Davis, Michael 13  
Dent, Albert 67  
Depression see Great Depression  
Detroit 49,56  
Dillard University 67  
Duke University 108  
Durham, NC 108  
East Coast 123  
Enabling Act 19-20  
England 110,119  
Evanston, IL 77,99  
Fairview Hospital, Minneapolis 1,4,18,140  
Farmers Grange 67  
Fergus Falls, MN 1,4,10,12  
Fishbein, Morris 18-19,104-105  
Fletcher, Abbott 11  
Foley, C.J. 92,135  
Foley, Mathew 136  
Fontanne, Lynn 111  
Ford Motor Co. 49  
Fort Wayne, IN 49  
Gates, Thomas S. 67,68

General Motors Corp. 49  
    Indiana plant 56  
Golden, Clinton 67  
Goldwater, S.S. 27  
Gray, Gordon 108,109,110  
Great Depression 64  
Green, Ben 57  
Green Giant Packing Co. 1  
Griffin, Maurice 87  
Groner, Frank 101-102  
Group hospitalization prepayment plans 4-7,10,12,14,15,18,22-23,  
    32,33,35,103  
    Rural enrollment 13,15  
Gulf Oil Co. 63  
Hawley, Paul 60,91  
Hayes, John 107,108,109  
Health Information Foundation 99-100  
Health Insurance Plan of Greater New York (HIP) 54  
Health Maintenance Organization (HMO) 51,141  
Health Services Plans Commission 34  
Hill, Lister 70,89  
Hill-Burton 43,44,72,80,82,83,86,95  
Hoge, Vane 80,81,86  
Hoover, Herbert C. 68  
Hospital Association of Illinois 126  
Hospital auxiliaries 96  
Hospital Council of Essex County, NJ 6,14-15  
Hospital Council of Minneapolis-St. Paul 11  
Hospital Management 38,136  
Hospital Research & Educational Trust (HRET) 124,125  
Hospital trustees 96-97  
Hospitals 94,108,126,128,136  
Hudenberg, Roy 82  
IBM 23,72  
Inland Steel Corporation 67,103  
International Falls, MN 4

International Hospital Federation (IHF) 122-123  
John Hancock Insurance Co. 58-59  
John Marshall Insurance Co. 55  
Johns Hopkins University Hospital 112  
Joint Commission on Accreditation of Hospitals 112,118,132,137  
Jones, Richard 60  
Kaiser Permanente 54,143-144  
Kauffman Department Store 22  
Kellogg (W.K.) Foundation 42,43,74,107,121,125  
Kimball, Justin Ford 4,13  
Kyser, Kay 109  
La Crosse, MN 116  
La Guardia, Fiorello H. 139  
Layman, Marcella 38-39  
Le Center, MN 1  
Le Sueur Center, MN 1  
Letourneau, Charles 136  
London 123  
Louisiana 67  
Lull, George 118  
Lint, Alfred 111  
McBee, Walter 37  
MacEachern, Malcolm 114,137  
MacLean, Basil 27  
McNamara, John 33,37-38,61,90,139  
McNary, William 51  
McNerney, Walter J. 50,60  
Mannix, John R. 33,38,55,56-57,61,65,88,89,90  
March of Dimes 42,43,125  
Mayo Clinic 12  
Medicare 83  
Mellon family 63  
Menninger Clinic 37  
Mexico 132  
Michigan 74  
Michigan University Hospital 88,89

Milaca, MN 3,4  
Milwaukee 18,37  
Minneapolis, MN 2,4,6,7,9,11,12,18  
Minneapolis Central High School 2  
Minneapolis Symphony 12  
Minneapolis-St. Paul 9,11,12  
Minnesota 3,15,112,142  
Minnesota Hospital Service Association 11  
Minnesota Medical Journal 7  
Minnesota State Hospital Association 11  
Minnesota, University of 3,4,7,8  
Modern Hospital 38,138  
Montefiore Hospital, Pittsburgh 22  
Morey, Robert 74  
Mountin, Joseph 81,86  
Mountin-Hoge grid 81  
Munger, Claude 79  
Napa Valley, CA 116,117  
National Health & Welfare Retirement Association 124,125  
National Institutes of Health 131  
Nelson, Russell 116  
New Jersey 31  
New Orleans 61  
New York City 31,68,79,100,124,139  
Nixon, Richard M. 101  
Morby, Ethel 3-4,17-18,22,100,131-132  
Norby, Joseph 1,4,6,8,12,18,23,24,88-89,104,112,140  
Norby, Nancy 22,25,108  
North Carolina State University 70  
North Carolina, University of 108  
Northfield, MN 1  
Northwestern University 123  
Nursing home association 69  
O'Connor, Basil 43  
Parran, Thomas 70,71-72,73,74,75,86

Pathologists 47  
Pattullo, Andrew 110,121,122,125  
Pennsylvania 19  
Pennsylvania, University of 67  
Pittsburgh, PA 20-26,30,40,57-58  
Platou, Carl 142  
Porterfield, John 132  
Postwar planning 41-42  
Pratt, O.H. 88,105  
Princeton, NJ 111,112  
Quebec 114  
Rappleye, Willard 67,79  
Regionalization 81,85-86  
Reuther, Walter 107  
Rochester, MN 11,12  
Roosevelt, Franklin D. 43,139  
Rorem, C. Rufus 12,13,14,18,23-30,31,34,35,37-41,57,60,64,67,90,91  
Rosenberg, Anna 139  
Rosenwald Fund 13,23,27  
Ross-Loos Clinic, Los Angeles 13  
Ryerson, Roy 67,103  
St. Louis, MO 37  
St. Olaf College 1,2-3  
St. Paul, MN 1,6,8  
Salt Lake City 50  
Salvation Army 119  
San Francisco 49,50,132,143  
Scandia State Bank 1  
Schwitalla, Alphonse 73,87,89  
Seeger, Walter 9-10,22  
Sewickley, PA 23  
Sheps, Cecil 109,110  
Sigmond, Robert 83,107  
Slee, Vergil 74,121-122  
Southwest Michigan Hospital Council 74  
State hospital associations 69,75

Storm, John 128,136  
Stuart, Jeb 60,90  
Stull, Richard 83  
Taft, Robert 83  
Texas Hospital Association 123  
Thomas Hospital, Minneapolis 140  
Tibbits, Sam 142  
Toronto 4,37  
Trustee 96,97  
Twitty, Bryce 36  
U.S.Blue Cross proposed 57,58  
U.S. Census Bureau 68-69  
U.S. Commerce Department 69  
U.S. Public Health Service 43,72,73,75,77,80,81  
    IBM Bureau 73  
U.S.Steel Co. 63  
United Steelworkers Union 67  
Van Dyk, Frank 14,30,31  
van Steenyk, E.A. 4,6,7,8,9,10,12-15,18-20,23,33,61  
Vassar College 67  
Wadena,MN 10,12  
Walgreen Drug Store 29  
Washington,DC 83,101,102,128,139  
Washington Post 128,129  
Wasson, Judge 21,25,26  
Westminster Choir College 111  
Williams, Jack 126  
Williamson, Kenneth 81,91-92,94,96,97,98,99,100,101,102  
Wilson, Davis 75-76,80  
Wood, Prudence 76  
World War I 28  
World War II 41,47