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[Despatch Abstract.]

AVERAGE COST OF DIETS IN STATE HOSPITALS.

Approving the method recommended by the Surgeon-General for calculating the---and requesting him to issue stringent orders for keeping distinct the cost of European and Native diets.

G.O. No. Department. Date.

FURTHER 1

G.O. No. Department. Date.

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செப்பனிருவதற்காக எடுத்த
கொள்ளப்பட்ட நாள் 3/96

செப்பனிரு முடிந்த நாள் 3/96

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No. 201, Public, 8th February 1896.

GOVERNMENT OF MADRAS.
PUBLIC DEPARTMENT.

Re:—the following paper:—

From Surgeon-Major-General G. SETHORPE, F.R.C.P., Surgeon-General with the Government of Madras, to the Chief Secretary to Government, dated Madras, 2nd January 1896, No. 43.

With reference to the last sentence of paragraph 9 of G.O., No. 712, Public, of the 28th August 1895, enquiring as to the method that is at present in force in each of the State hospitals for the calculation of the average cost of each diet, I have the honour to report that the following methods were employed in these institutions during the year 1894:—

General Hospital.—Separate averages per diet per diem under the heads "European Officers' Quarters", "European General Wards", "Native Officers' Quarters", and "Native General Wards" were worked out, but the average cost in the "Native General Wards", Part I, was obtained by dividing the total amount spent on the aggregate of the daily sick of all classes for the year.

Women and Children's Hospital.—This was arrived at by dividing the total cost of the different diets ordered for the day for European, Eurasian and Native patients together by the number of patients on that day.

Government Lying-in Hospital.—This was worked out by dividing the total cost on diet, including the amount of diet allowance allowed for pregnant women, by the daily average number of in-patients multiplied by 365.

Government Ophthalmic Hospital.—The total cost of European diets was divided by the number of European sick treated, and the total cost of native diets was similarly divided by the number of native sick treated; the sum of these two figures was divided by two and the result was recorded as the average required.

Government Leprosy Hospital.—The total expenditure on diets, extras, stimulants and firewood was divided by the total number of sick dieted. But the total cost on firewood was not included—A certain proportion being entered under miscellaneous charges; this was due to the fact of its being obtained from, and credited to, the Forest Department. This procedure has been pointed out as showing a fallacious cost in diet and has been discontinued.

Voluntary General Hospital.—The total cost of all diets, European and Native together, was divided by the total number of diets.

The attention of medical officers has been drawn to paragraph 9 of the Government Order under reference in which Government directs that the cost of European and Native diet be kept quite distinct. Until now this method has been observed in only two of the Presidency State hospitals, viz., the General and Ophthalmic hospitals.

As regards the method of calculating the average cost of the daily dietary of patients in mixed hospitals alluded to in paragraph 9 of my letter, No. 470, dated 30th October 1895, the Diet Committee report as follows:—

From enquiries made by the Secretary to the Committee during his visits to the various State hospitals, the Committee have grounds for the belief that the method of calculating the average cost of a day's dietary in mixed hospitals differs in different institutions. There seem to be at least two methods:—

- (i) To calculate the average cost of a day's diet for each class, i.e., Europeans and Natives, add these averages together and divide by two.
- (ii) Simply to divide the total cost of dietary for all classes by the total number of days in hospital spent by the patients or by the aggregate number of daily sick.

"The Committee recommend that principle involved in the first of these methods be adopted in future in all hospitals. The second method cannot give a true average, because items are lumped together which have no relation to each other and the results arrived at by it are therefore misleading. The Committee recommend the *principle* of the first method to be adopted because in some of the hospitals, although there are only Europeans and Natives, yet for the purpose of arriving at a true average there are often more than two classes to be dealt with. For example, in the General Hospital * there are at least four classes,—viz., European officers' quarters, European general wards, Native officers' quarters, Native general wards—so that in order to arrive at a mathematically true average and one which will be of real use for purposes of comparison, the average for each of these classes should be taken, added together and divided by four. Now that children have been added who must get a special dietary, there will be five or six classes to be dealt with. A simple example will illustrate what has just been stated:—

"Say, A has a hospital with six natives costing one anna a day = six annas; and two Europeans costing six annas a day = twelve annas. The average for the natives would be one anna. The average for the Europeans would be six annas. Now the Committee recommend that these two averages be added together and divided by 2, giving a true average of $3\frac{1}{2}$ annas.

"But if the second method be adopted—i.e., if the total cost, viz., 18 annas, be divided by the total number of patients, 8—the result is $2\frac{1}{4}$ annas, or an apparent average less than the other by $1\frac{1}{4}$ annas.

"Now, say, B has a hospital with—

	Annas.	Average.
Fifty Natives costing one anna daily = ...	50	1
Two Europeans costing six annas daily = ...	12	6

"These figures give the same true average as in A's hospital, i.e., $3\frac{1}{2}$ annas, and it is only natural that the average cost should remain the same, seeing that the actual cost for each class of patients is also the same.

"But if the second method is taken, and we divide the total cost, viz., 62 annas, by the total patients, 52, we get a spurious average of $1\frac{5}{13}$ anna, though the actual cost per day has not altered for each class; and so, if this method were adopted, B would get the credit of running his hospital very economically— $1\frac{5}{13}$ anna for average cost per day—while A would be dubbed extravagant with his $2\frac{1}{4}$ annas a day, the truth, nevertheless, being that in both cases the actual cost per day for each class was just the same, viz., 1 anna for natives and 6 annas for Europeans.

"If, however, we alter B's population and give him six natives and twenty Europeans, still at the same rates per day, and calculate by the second method, we shall find that, instead of being economical, he has become very extravagant—

	As.
6 Natives at 1 anna = ...	6
20 Europeans at 6 annas = ...	120
	126 ÷ 26 = $4\frac{1}{2}$ annas!"

* In the General Hospital for 1894 the average cost per diet per day for the four different classes was—

	Rs.	A.	P.
European officers' quarters	1	1	8 $\frac{1}{2}$
European general wards	0	7	8 $\frac{1}{2}$
Native officers' quarters	0	13	8 $\frac{1}{2}$
Native general wards	0	3	9 $\frac{1}{2}$
	4	2	10 6
	0	10	7 $\frac{1}{2}$

That is, when calculated by the first method, As. 10-7 $\frac{1}{2}$ is the "average cost of each diet" (column 6, Statement V, Part I); whereas, calculated according to the second method (which has been the usual practice in this hospital), the average cost of each diet was given in the annual statement as As. 6-1 $\frac{1}{2}$.

In sending in his financial statement for 1894 the Senior Medical officer in an explanatory statement gave the average cost separately of each class. The Committee is of opinion that the average of these different classes should always be shown separately even when an average for the whole hospital is required.

4. In their views I quite concur, and recommend that the principle suggested by them may be adopted and that the figures for each class be given as a foot-note to Statement V, Part I, column 6, of the annual returns.

ORDER—No. 201, Public, dated 8th February 1896.

The recommendation made by the Surgeon-General in the concluding paragraph of his letter is approved. He will be requested to issue stringent orders that the ruling promulgated in paragraph 9 of G.O., No. 712, Public, dated 28th August 1895, that the cost of European and Native diets be kept quite distinct and separate averages *per diet per diem* under each be worked out, shall be strictly followed in future.

(True Extract.)

Chief Secretary.

To the Surgeon-General.

Ed. A. Raitt.

Gobt. of {1896} Madras.
PUBLIC.

Issued

Recd.

Encl.

G.O., No. 201, 8th February 1896.

FEBRUARY.

Diets in State Hospitals.

Approving the method recommended by the Surgeon-General for calculating the average cost of —, and requesting him to issue orders for keeping distinct the cost of European and Native diets.

Public C. 325

When reviewing the Annual Report & Statistics of State Hospitals for 1894 the attention of the Govt. was drawn to the diversity of systems of calculating average costs of diets adopted by different officers in different institutions; in paragraph 9 of G.O. N^o. 712 Pub. d. 28th Aug 95 it was laid down as a rule that the cost of European & Native diets should be kept quite distinct, & separate averages per diet per diem under each be worked out. The Surgeon-General was at the same time requested to state the method at present in force at each of the State Hospitals.

The Surgeon-General's reply is submitted & shows very clearly how necessary such a rule as that referred to above had become. The most remarkable feature of the report is that in calculating the average costs of diets at the Leprosy Hospl. some portion of the expenditure on firewood has also been included

Pl.

The report of the Diet Committee, from which the Surgeon General quotes a long extract in paragraph 3 of the Current, is at present with the H.M.

It is submitted that the recommendation in the concluding para of the Current may be accepted, & the Surgeon General directed to issue stringent orders that the ruling promulgated in para 9 of G.O. No 712 Pub d/28.8.95 shall be strictly followed in future.

Method of calculating the
Average cost of diets

Hon W. H. W. Bliss C.S.R.

30B
30.1.96
H.M.
8/2
7/2/96
W
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Order No 201 d/8 Feb 96
A

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from Orders

30B
6/2/96
6/2/96
6/2/96

To

The Surgeon General
d/31/2/96

The Method of calculating the average cost of diets

from Orders