

From the editor



## Why are hospitals so stupid?

I'm sure we've all asked ourselves that question. Psychiatrists spend a lot of time observing hospitals. Our training requires us to work in hospitals, and many of us practice in hospitals after training.

You probably have ideas that could save your hospital thousands—even millions—of dollars, but the powers that be are not interested. You also, undoubtedly, have ideas to improve patient safety and satisfaction, but they are not interested in those, either.

Before anyone takes offense, I want to distinguish between hospitals—which tend to be stupid—and hospital administrators—who tend to be bright. I would guess that hospital administrators are even more frustrated than we are about how difficult it is for hospitals to make good decisions. Hospitals have this problem because they are big, complex systems with nobody in charge.

Years of “cost-based pricing”—when insurers paid whatever hospitals reported as their costs—contributed to hospital stupidity. This free-lunch reimbursement system may well have caused hospitals irreversible brain damage. It certainly made it difficult for them to adjust to “price-based costing”—having to bring costs in line with predetermined prices dictated by the payer.

I think, though, that the main reason hospitals became stupid was because they could get away with it. Hospitals had so much money and power that they did not need to be rational or responsive. Increased competition has eroded hospitals' supremacy in the health-care market, but old habits die hard.

What can psychiatry learn from hospitals' mistakes? If our profession could become more powerful *without* becoming stupid, we could rule the world—or, at least, the mental health care delivery system.

Randy Hillard, MD