

The Evolution of American Medicine and The Duke Endowment Health Care (Hospital) Division Since 1924

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I have been associated with The Duke Endowment since 1963—first as a new medical Dean at Duke University, the Endowment’s major beneficiary, and then, in the last decade, as a trustee of the Endowment and a member of the Health Care Committee. Since 1963, my friends and colleagues have been Marshall Pickens¹, Jim Felts, Tom Perkins¹, Dick Henney, and Mary Semans¹—all trustees of the Endowment.

In 1924, when James B. Duke signed the indenture creating The Duke Endowment, healthcare in America was at a turning point. Hospitals were changing from a place to go to die to a place to go for a possible cure. The cost of hospitalization was \$3.00 a day, which led to Mr. Duke’s decision to contribute \$1.00 a day for the care of indigent patients in North and South Carolina.

Pernicious anemia was still incurable; in fact, Mr. Duke died of the disease ten months after signing the Indenture, shortly before the discovery of the intrinsic factor that would cure the disease. Banting and Best had just discovered insulin, and diabetes was finally changing from a lethal disease to one that was at least partially manageable. Heart disease, hypertension, stroke, cancer, accidents, and infectious diseases (including tuberculosis and pneumonia) were major killers.

Private foundations in the health field supported fragments of research in medical institutions. Some of the leading philanthropic foundations, including the Rockefeller Foundation, were concerned about the shortage of physicians that followed the Flexner Report of 1913 and the subsequent closing of many medical schools in the United

States that were essentially “diploma mills.” The input of these foundations led to the creation of new schools attached to universities, such as the University of Rochester and, in 1930, Duke Medical School.

In the early 1930s, there was no health insurance, so in North Carolina Dr. Wilburt C. Davison (Duke Medical School’s founding Dean) and Mr. George Watts Hill, Sr. (a successful business man) sponsored the founding of North Carolina Blue Cross and North Carolina Blue Shield. Davison and Hill were regarded as “socialists” for endorsing such a move.

Then came the control of infections through the development of antibacterials and antibiotics. In the mid-thirties, sulfanilamide (Prontosil) was discovered by the Germans. On a personal note, its introduction coincided with my being a ten-year-old with lobar pneumonia; I was one of the first patients to receive the drug, and I survived. Penicillin was discovered in 1942 by Fleming and Flory at Oxford University. Like many major medical discoveries, it was serendipitous and almost accidental. Penicillin was a major life-saver from infected wounds during World War II. Immediately after World War II, Waksman discovered streptomycin. The successful war against tuberculosis began, and, within a decade, sanatoria were being emptied.

In 1948, the social environment of hospitals was to change also; in parallel, The Duke Endowment made major policy changes. The Hill-Burton Act was passed, providing federal funds to build and renew small rural hospitals so that Americans would not have to travel long distances to get inpatient care.² The trustees of the Endowment directed funds to help the rural hospitals in North and South Carolina achieve these goals. Senator Lister Hill of Alabama (named by his father in honor of Lord Lister, the architect of antiseptic surgery in the late nineteenth century) went on to a lifetime of distinguished achievements in support of the health field. At about the same time, the Veteran’s Admin-

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istration stopped building new VA hospitals in remote areas to honor powerful congressmen in those districts. New hospitals would be built near academic medical centers so that they could share staff, residents, and quality control. Dr. Davison was on top of the change, and, in 1949, ground was broken in the Duke Forest near the Duke Medical Center for the Durham VA Hospital.

The 1950s saw a dramatic change in the incidence, morbidity, and mortality of infectious diseases. Poliomyelitis was on the way to being eradicated by a vaccine developed from the basic scientific work of John Enders at Harvard and the subsequent work of Jonas Salk and Albert Sabin. Tuberculosis was changed from a roaring major conflagration to smoldering embers that flared up mostly in patients with immune deficiency disorders. Had infectious diseases been conquered? Wait till AIDS comes along in the early 1980s.

Another major aspect of the post-World War II era was the emergence of the National Institutes of Health under the directorship of Dr. James Shannon. Medical research became a major function not only of the intramural branch of the NIH but also, through extramural grants, of all major universities. However, the funds that supported new people, programs, and buildings were never derived entirely from the federal government. The Duke Endowment, though not funding research *per se*, helped to partially support new undertakings that would improve healthcare in the Carolinas and eventually would be applicable to other parts of the country.

But there were still major gaps in the healthcare system of America. A universal health care system, stigmatized as “socialized medicine,” was rejected repeatedly by opponents led by the American Medical Association. The elements of the same opposition have been seen in the 1930s, the late 1940s (when President Truman favored Mr. Oscar Ewing’s plan), and even in the 1990s (in Hillary Clinton’s ill-fated attempt). So, how do we fill the gaps in healthcare?

In 1965, under President Johnson, the Medicare Act and the Medicaid Program were enacted. I was at the White House and received one of the pens used by the President to sign the legislation. That same year, passage of the Heart, Cancer and Stroke Act was passed enabling states and regions to develop programs to improve the care of patients with those diseases. North Carolina was one of the first states to mount such a program. A newly created board brought together the leaders of the North Carolina Medical Society and the state’s three medical schools to work for a common purpose. The board comprised representatives from the major foundations in the state and various state agencies. The Duke Endowment was a participant; I was pleased to represent Duke Medical Center. We finally had a common cause to help the public.

In the 1970s, President Nixon promoted increased funding for cancer research and cancer treatment. A national committee, chaired by Dr. Michael DeBakey and Duke’s Dr.

Ewald Busse, developed the blueprint that was enacted. The Duke Endowment was of major assistance in the evolution of the Comprehensive Cancer Center at Duke. In addition to the programmatic support, they enabled the construction of the Edwin Jones Basic Cancer Center and the Morris Clinical Cancer Building. The Endowment has aided other programs throughout the Carolinas that sought to improve the capability of caring for cancer patients.

Throughout the 20th century, opinion about the number of doctors has been a swinging pendulum—too few, too many, too few, too many. The Endowment has been vigilant and helpful in supporting new medical centers in the Carolinas. In recent years, “academic medical centers” have become eligible beneficiaries. In North Carolina, we support several innovative programs at East Carolina University/Pitt County Memorial Hospital, as well as the older three centers. In South Carolina, there has been increasing support of the existing and enlarging academic medical programs.

The 1980s saw the unveiling of a new vintage of critical events. In 1982, AIDS was recognized. Thanks to discoveries in biology and medicine made in the preceding years and “sitting on the shelf” waiting to be applied to a disease entity, the lag phase in getting treatments from the pharmaceutical industry and to the patient was short. Witness the life story of Magic Johnson, and his remarkable success in containing the disease. But also witness the crisis abroad in regions of sub-Saharan Africa, where US-quality healthcare is not yet available.

The second major crisis of the 1980s concerned the economics of healthcare. The major corporate leaders (including General Motors, Ford, and General Electric) became increasingly anxious about double-digit inflation in healthcare. Even major suppliers of healthcare like Duke University worried about increasing costs, as well as how to take care of the poor and uninsured. Since 1977, The Duke Endowment has supported the annual Private Sector Conferences at Duke Medical Center. These bring together national leaders in the United States to share ideas and suggest ways in which the private sector can help the federal government deal with these issues. The Endowment also underwrites the cost of publishing the proceedings for wider dissemination.

Dr. Paul Ellwood, who coined the term Health Maintenance Organization, has been a frequent participant. He came up with the term HMO so that he did not have to say “Kaiser-Permanente-like program” because that program was in disrepute in certain national centers. In recent years, Dr. Ellwood has decried the direction taken by HMOs. The practice of medicine has become driven by the economics. Doctor-patient relationships have suffered. Patients have been denied freedom to go to the best doctors in their region. It is true that HMOs initially lowered the yearly inflation of healthcare costs from double digits to 6%, but corporations now face increases of 13% this year. These factors are under

constant scrutiny by the staff of the Health Care Division.

Over the years, the Endowment has supported many programs in mental health and the problems of aging. In the past decade (under the leadership of Mr. Russell Robinson, chair of the Health Care Committee, Mr. Eugene Cochrane, chief staff person, and with the support of Mrs. Mary Semans, chair of the Endowment, and Dr. Betsy Locke, President), the funds of the Committee have moved from bricks-and-mortar to programmatic support. Some bricks-and-mortar support is still necessary at smaller rural hospitals, in keeping with our original endorsement of the Hill-Burton Act, but most hospitals now have development programs and have access to tax-exempt bonds. We have supported programs in drug abuse, domestic violence, and special components of chronic illness and end-of-life.

What about the future? We live in a time of exciting medical research. We will see new improvements in health-care—genetics, neurobiology, and stem cell research promise to open major new vistas. We have not yet exploited the possibilities of new communication and computer technologies applicable to healthcare. Our concern will continue to be the application of these new elements to improved quality of health care—to the prevention and cure of disease, or improved quality of life. We are cognizant of the manpower needed—doctors, nurses, and allied health personnel—to accomplish our goals. In addition to the numbers needed, we

are concerned about sustaining job satisfaction and the quality of service rendered.

Finally, let me end on a personal note. For most of the 20th century, I have listened to all parties who have talked about health insurance. I have been opposed to a health system run by the federal government. However, I feel that the time has come for a comprehensive universal system of healthcare run jointly by the federal government and the private sector, with room for minor adjustment by individual states. A successful model for this system has been operating in the United States for years. It is the Federal Employees Health Program. Every federal employee, including the Congress and the Executive Branch, is a subscriber. They are offered a number of options with different co-payments. It is time we stopped playing “Mickey Mouse” games with the indigents who are not covered by Medicaid and who often seek medical care in the advanced stages of their disease or in expensive emergency room settings. Given a large national system, the poor can be accommodated as equal first-class citizens.

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- 1 Also served as trustees of Duke University and its Executive Committee.
 - 2 The interstate highway system promoted by President Eisenhower was yet to come.