

C. Rufus Rorem, PhD, CPA, one of the nation's pioneers in health care policy responsible for shaping Blue Cross as an American innovation in health care financing during the 1930s and 1940s, died Sept 19, 1988, in Cherry Hill, NJ. He was 93 years old.

In the early 1930s, Dr Rorem encouraged the then-radical concepts of group medical practice, prepayment, and insurance.

Just five days before his death, Dr Rorem was inducted into the *Modern Healthcare Health Care Hall of Fame*.



Dr Rorem was born in Radcliffe, Iowa. He received his bachelor's degree from Oberlin (Ohio) College in 1916. Dr Rorem worked as a newspaper reporter and traveling salesman with Goodyear Tire & Rubber Company before becoming assistant professor of economics and dean of men at Earlham College, Richmond, Ind. He later moved to the University of Chicago (where he earned his AM and PhD degrees) as associate professor of accounting and assistant dean of men while also practicing accountancy part-time. During this period, Dr Rorem published the textbook *Accounting Method*.

In 1929, Michael M. Davis sought Dr Rorem's advice while seeking a promising graduate student who might be interested in undertaking studies of hospital accounting and finance. Dr Rorem decided to take the assignment himself, and thereafter began his career in the health field as well as a longtime association with Davis. Dr Rorem served on the staff of the Committee on the Costs of Medical Care and authored and coauthored many of the committee's reports, including the summary volume and the study of private medical groups. He next joined the staff of the Rosenwald Foundation, Chicago, to implement the recommendations of the committee, particularly in the areas of uniform hospital accounting, group practice, and hospital prepayment.

From 1937 to 1946, Dr Rorem organized and directed the Blue Cross Commission of the American Hospital Association, which provided guidance to

the plans being organized by community, hospital, and medical leadership throughout the country. These Blue Cross plans had enrolled 20% of the nation's population by 1947.

In 1947, Dr Rorem became the first director of the Hospital Council of Philadelphia. Later, he undertook new assignments in hospital planning in Pittsburgh and New York City. He served as consultant to various health care organizations, including the Blue Cross Association.

Throughout his career, Dr Rorem served on a multitude of committees and commissions, lectured widely, and published approximately 200 works.

In 1982, the Health Administration Press published a collection of 25 articles written by Dr Rorem from 1930 to 1979 entitled *A Quest for Certainty*. One of the articles that Dr Rorem selected for inclusion in this book is a debate with the American Medical Association's Morris Fishbein, MD, on the subject of health insurance for the American people. This debate is a classic example of how these two titans often matched wits.

Dr Rorem's last published writing is the foreword to Margaret C. Albert's book *A Practical Vision*, the story of Blue Cross of Western Pennsylvania, 1937 to 1987.

In 1985, the Blue Cross and Blue Shield Association initiated the C. Rufus Rorem Health Service Award, honoring Dr Rorem for his many lasting contributions to the development of the Blue Cross and Blue Shield concept.

In 1981, Dr Rorem prepared some text before speaking in Philadelphia to the Young Hospital Administrators Groups. Although he did not use the text at the presentation, *Some Predictions for the Year 1981* conveys his wisdom:

The United States Congress will not pass a comprehensive health service bill during the next ten years. But many changes will be made in the production and financing of health care.

An increasing number of physicians will practice their profession for annual incomes, rather than on a "piece work" basis. The agencies will be private group clinics, private or public hospitals, industrial and commercial enterprises, and health care insurance organizations.

Hospitals will become health care centers, with equal attention to horizontal and verti-

cal patients. Outpatient "visits" will exceed inpatient "days" at the typical general hospital, public or private.

Very few new hospitals will be established, except through mergers and consolidations. Hospital size will be expressed in terms of numbers and variety of services, instead of floor space and bed capacity.

Official bodies will license various paramedical personnel (nurses, rehabilitation therapists, social workers, and others) to perform primary health care services with specified privileges and responsibilities.

Medical school clinical instruction will be provided in the private offices of university-affiliated physicians, as well as in hospitals, nursing homes, and patient-residences.

Areawide planning for comprehensive health care will be developed in the public interest, with required certificates of need for major expansion or changes in professional facilities and services.

'Medicare' for the elderly will be revised to ensure comprehensive health care, including dentistry and prescribed medicines.

Health care insurance will be required for employed persons and their dependents, with comprehensive service benefits. Avoidance of malingering will be controlled by professional judgement rather than deductible or coinsurance provisions.

Public, nonprofit, and investor-owned hospitals will increasingly provide complete health care, through medical staffs who receive regular salaries or other contractual payments.

Special duty nursing for private patients in general hospitals will be provided by regular professional staffs on an hourly or special service basis.

Interest, depreciation, and replacement allowances will be included in reimbursement formulas for health care. But the payments will be placed in central community funds to be spent according to community needs.

Supervised self-care will be developed under the guidance of qualified professional personnel, in the interests of more effective use of special health care knowledge and skill.

Dr Rorem's wife, Gladys Miller Rorem, died earlier this year. He is survived by a daughter, Rosemary Marshall; a son, Ned; six grandchildren; and seven great grandchildren.

—by Robert M. Sigmond
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Photo courtesy of Blue Cross/Blue Shield of America.

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