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PRELIMINARY REPORT TO THE STUDY
COMMITTEE OF THE NATIONAL BOARD
OF TRUSTEES

THE NATIONAL SOCIETY FOR CRIPPLED
CHILDREN AND ADULTS, INC.

December 16, 1963

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PRELIMINARY REPORT TO THE NATIONAL STUDY COMMITTEE

INTRODUCTION

Purpose of Report

This preliminary report roughly parallels the verbal report presented to the Study Committee at Huntsville, Alabama, on November 2, 1963. It has been prepared specifically for members of the National Study Committee to aid them in preparing for the meetings with local and state delegates. It has no other purpose, and is not designed for general distribution.

The focus of this report is the mission or program of the NSCCA. Other issues are introduced only as they relate to the question of the Society's mission.¹ It is our general position that a decision regarding the most appropriate and desirable mission for the Society must be made before most other questions can be profitably discussed and resolved. Once the Study Committee plan for series of meetings at local-state, regional and national levels is carried out, it will be possible to identify and explicitly define a mission that is both appropriate to the Society and acceptable to most of its members. A final report, which will be submitted to the Study Committee in August, 1964, after a decision concerning the Society's mission has been reached, will deal with a broader range of issues.

Outline of the Report

Part I of this report is a brief discussion of some current social trends that bear directly on the choice of a mission for the NSCCA.

Part II of the report is concerned with current problems of the Society. Most of the operational problems of the Society are

¹ Exceptions are the issues dealt with in Part IV of the report. Although they may have only peripheral relevance to the mission of the Society, they are major issues of general concern, and the Study Committee should be informed about them.

viewed as symptoms of the more fundamental problems of a lack of a clearly defined, sharply focused mission, and an incompatibility between the mission of the Society and the type of organization existing to carry it out.

Part III of the report describes three types of missions that are appropriate for a voluntary health organization such as the NSCCA. The organization structure most appropriate for carrying out each type of mission is described, as well as some of the advantages and disadvantages of each. The consultants do not in this report recommend any one alternative as best for the Society, feeling that such a decision must be made by the members of the Society themselves after a thorough study of the facts and due deliberation. The Study Committee plan, when carried out, will provide the most relevant data for arriving at such a decision.

Part IV of the report is a brief discussion of issues that are not directly related to choice of mission but which are likely to be raised by the groups the members of the Study Committee will be addressing. The information included is intended to help them deal with these issues if they are raised.

PART I

I. Social and Economic Trends

Certain long term social and economic trends and developments in American society are affecting and may alter the traditional role of the national voluntary health agency in the United States, and the National Society for Crippled Children and Adults in particular. The population continues to grow, a result not only of a recent tendency toward having larger families, but also of a lengthening life span and a decrease in infant mortality. Industrialization through automation is changing the nature of employment, particularly for the handicapped. The nation, already predominantly urban and suburban, is becoming more so. Moreover, trends in the field of health appear to be accelerating even more rapidly than those in society as a whole.

A. Changing Composition of Handicapped Population. The composition of the population served by health agencies is changing. There has been a substantial increase in the proportion of the very young and the aged among the handicapped; this is made more meaningful by the fact that these two groups are the heaviest per capita users of health services. The growth in the proportion of aged is the most striking and may have the greatest consequences; by 1980, 25,000,000 or 10% of the total population will be 65 years of age and over.

B. Changing Composition of the Service Community. The change in the composition of the group serving public health needs has also changed greatly. First, the number of voluntary health agencies has grown. The Hamlin report states that "national and regional voluntary agencies whose primary purpose is health and welfare have increased from 15 in 1940 to approximately 100 at the present time." The 40 such major organizations which the Hamlin report lists illustrate both the long term growth trend and the accelerated rate of growth in recent years.

<u>Year Founded</u>	<u>No. of National Voluntary Organizations Founded</u>
1880	1
1900-09	2
1910-19	4
1920-29	4
1940-49	13
1950-59	16

Second, there has been an increased participation by the government, particularly the federal government, in the field of health. There has been an extremely rapid growth in expenditures in the field of medical research and in the provision of medical services, either directly or through the supply of financial aid. (See Figure 1.) In 1940 federal medical research expenditures totaled \$3,000,000 or about 7% of all money spent on medical research. By 1970 it is estimated that the government will spend \$1.6 billion on medical research, or about 70% of total medical research monies. Government expenditures have also continued to rise in the field of medical care and services as a result of government programs in social insurance, public assistance, welfare, veterans' and school aid. (See Figure 2.) Public funds accounted for 21% of personal health expenditures in 1960-61, compared with 10% in 1928-29. Health insurance benefits, almost non-existent in 1928-29, covered 21% of personal health care expenditures in 1960-61. Direct payment of such costs by consumers dropped from 88% in 1928-29 to 55% in 1960-61.

These growing government expenditures reflect new programs directed at public health problems heretofore not considered under the jurisdiction of the government, as well as intensified effort in traditional areas of government interest. Of particular significance is the widening scope of the Vocational Rehabilitation Administration. It has progressed from rehabilitating for jobs persons not too severely handicapped to conducting research and demonstration programs for those so severely handicapped they were once considered incurable-- e. g., those suffering from cerebral palsy, multiple sclerosis, hemophilia, drug addiction, and alcoholism.

C. Rising Costs of Medical Care. The third trend in the field of health is the increasing cost of medical care. By 1970 consumers will spend twice as much money for medical care as in 1960.

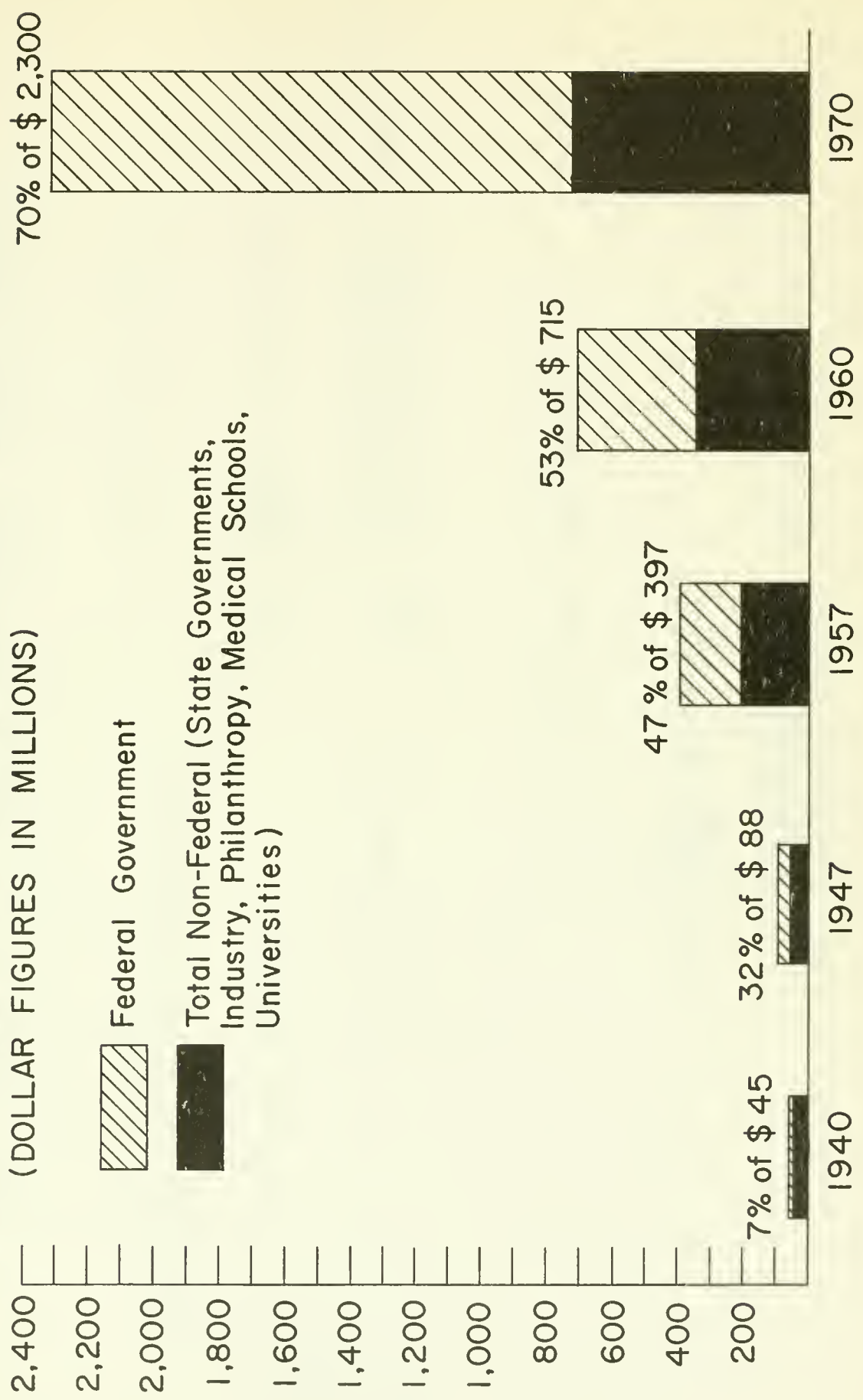
II. Effects of Current Trends on Voluntary Health Agencies

The effects of any one of these trends upon national voluntary health agencies in general, and the National Society for Crippled Children in particular, are manifold.

The growth in population, estimated to increase 60 million in the next 17 years, will mean there will be a large growth in the number of handicapped persons needing aid if the present trends in

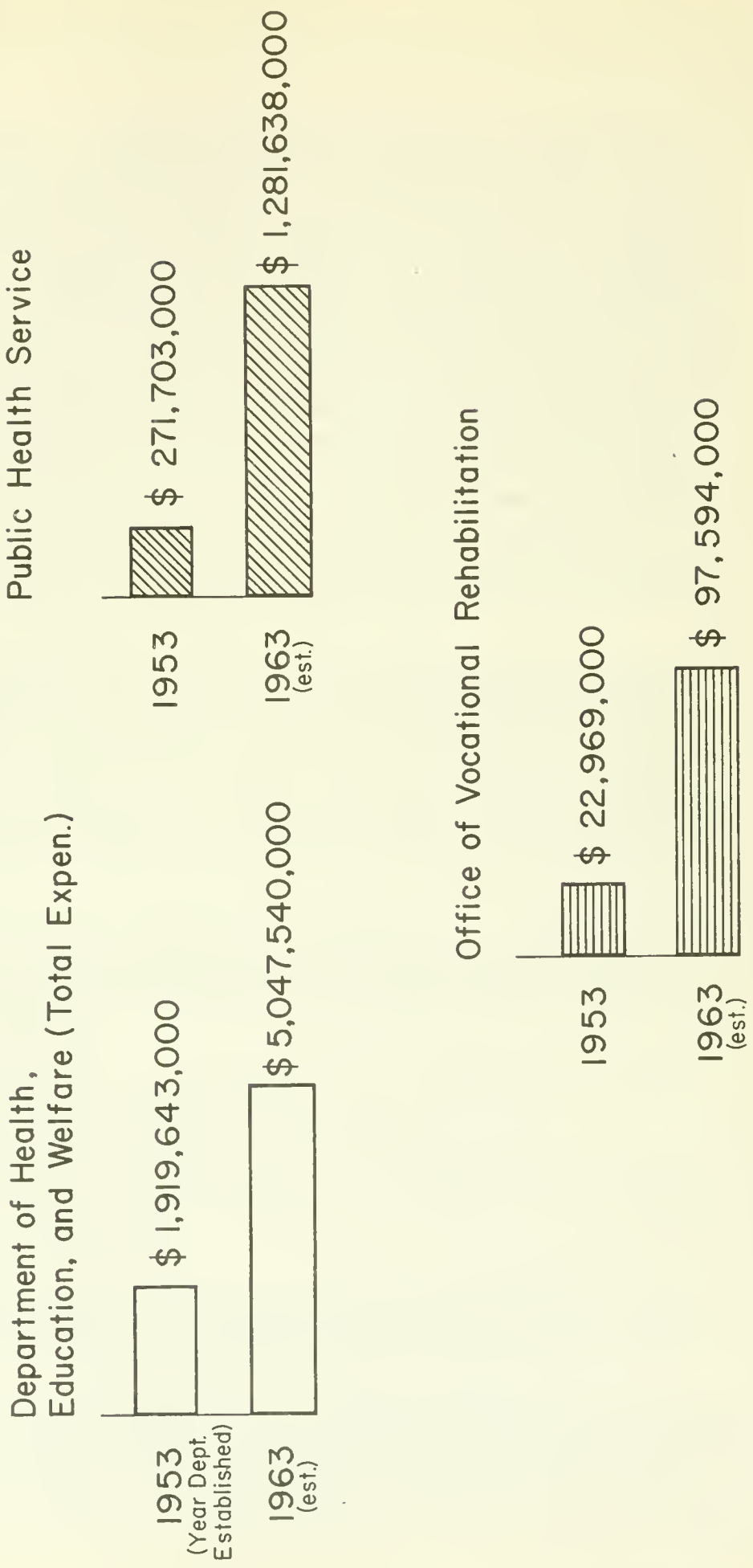
SOURCE OF FUNDS FOR MEDICAL AND HEALTH RELATED RESEARCH

FIGURE 1



EXPENDITURES OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

FIGURE 2



crippling continue. And since 88% of all disabling conditions are caused by a wide variety of diseases, it would take a medical breakthrough on many fronts to result in an appreciable reduction in the number of disabled. Thus, there must be a very significant growth in rehabilitation facilities and services. At present we are failing to meet even our immediate requirements, much less providing for increased future needs for medical and para-medical services. For example, we need twice as many physical therapists as we now have; 9,300 physical therapists are needed at once, yet only 800 are graduated a year. There are only 400 physiatrists in the country at present. At least three times as many as are currently entering the field are required to maintain even the present inadequate ratio to the population; ten times as many are needed to take care of the backlog of the disabled. Basic to the problem of a shortage of personnel is the little publicized lack of teachers of rehabilitation in medical schools. Only half of the nation's medical schools have staff members qualified to teach rehabilitation.

The growth in the number and proportion of older people in the population means that perhaps the greatest unmet need in the future will be the rehabilitation of older people so that they can at least partially care for themselves. Making this need even more pertinent is the fact that a very large percentage of the disabled are aged; of persons disabled from chronic disease, which accounts for 88% of all disabling conditions, 36% were 65 and over and 34% were 45-64.

The decrease in infant mortality rates is accompanied in many cases by an increase in the number of handicapped children, since diseases which once would have killed these children now often leave them disabled.

Automation is eliminating the simpler jobs in which handicapped persons have traditionally been placed.

A declining rural population could further increase the per capita cost of providing accessible rehabilitation services to rural areas.

The proliferation of voluntary health agencies, often with overlapping interests, has brought public criticism of waste, duplication, and self-interest, and a demand for coordination.

The increasing participation of the government in the field of health suggests the probability of the eventual take-over of many of the direct services for the disabled and requires that the voluntary health agencies find ways of complementing the government programs.

Increasing costs of medical care will affect the NSCCA in two ways. First, the costs of operating rehabilitation facilities will greatly increase. At present it is estimated that the operation of an adequate small rehabilitation facility providing only a few selected services costs at least \$50,000 annually. The operation of a fairly comprehensive center now costs between \$400,000 and \$1,000,000 annually. The second effect of rising costs will be in the individual's ability to pay. Insurance is still only a minor factor in the field of rehabilitation. Insurance enters rehabilitation as a third-party almost exclusively in workmen's compensation cases, yet occupational accidents account for only 5% of all disabilities. It is not now customary for either the basic health or major medical policies to cover rehabilitation specifically. In injury and liability cases the usual lump sum settlement very seldom covers the cost of rehabilitation. Insurance coverage may always be deficient to cover the groups most needing it: the young, the aged, and those with low incomes.

III. The Economics of Rehabilitation

Rehabilitation both increases productivity and reduces the non-productive costs of drawing upon (1) personal or family resources, (2) community philanthropy, and (3) state and federal relief and welfare aid. Stopping the growing drain on the nation's economic resources becomes more important as the non-productive segment of the population mushrooms: during the 1960's our productive labor force will increase 3% while the non-productive segment will increase 18%. The rapid increase in the number of aged and in the non-productive segment of the population is most marked, and it is among the aged that one finds both the largest proportion of disabled and the largest users of medical services. Rehabilitation projects for the aged have proved that it is possible to lessen their physical and economic dependence.

In one such project, 121 out of 134 bedfast aged were made mobile. As a result these persons were then dependent on the community at an average cost of \$104 monthly rather than at the previous custodial care cost of \$300.

Rehabilitation projects among the population at large show similar success.

One such New York project rehabilitated 102,400 persons at a total cost of \$17,000,000. Previous to rehabilitation, the annual cost to the government of relief aid for this group had been \$18,000,000. In addition the group's earning power increased over 400%, from \$47,000,000 to \$205,000,000. (See Figure 3.)

ECONOMICS OF REHABILITATION

1961-62 NEW YORK PROGRAM INVOLVING 102,400 DISABLED PERSONS

TOTAL COST OF REHABILITATION

ANNUAL GAIN

DIRECT GAIN:
AVOIDING ANNUAL COST
OF THE 16% WHO
WERE ON RELIEF

INDIRECT GAIN:
ANNUAL EARNINGS
\$ 158,000,000

\$ 17,000,000

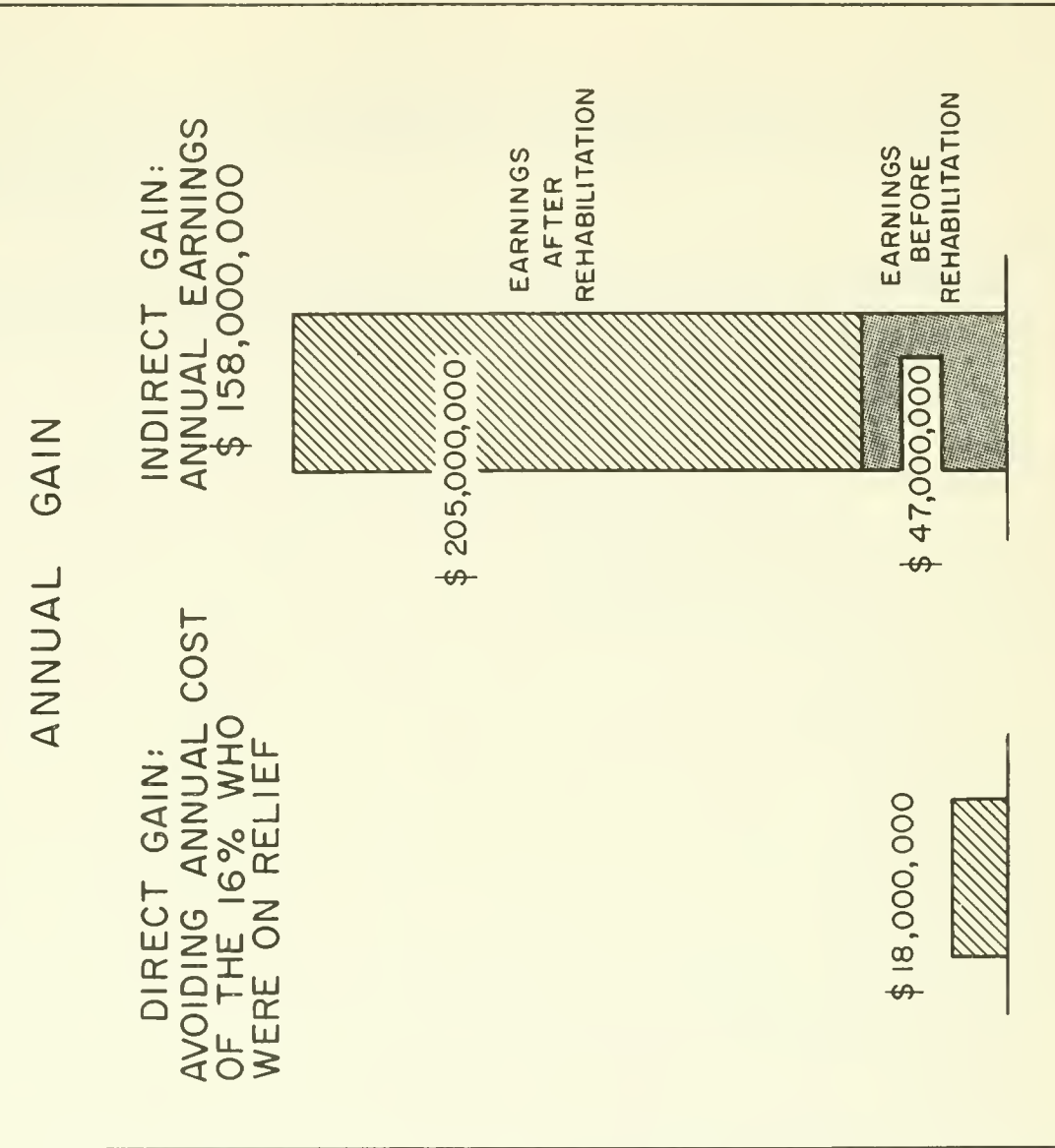
\$ 18,000,000

\$ 205,000,000

\$ 47,000,000

EARNINGS
AFTER
REHABILITATION

EARNINGS
BEFORE
REHABILITATION



Specific figures on the economic value of rehabilitation of children are more scarce--as are statistics on crippled children in general. The per capita value would, however, be even greater than in the instances cited above.

The economic value of rehabilitation proves that it is necessary economically as well as desirable on humanitarian grounds.

PART II

Study of the NSCCA and its affiliates has revealed a variety of controversies and complaints. The following are some of the most common:

- a. Demands on the one hand for stronger national leadership and on the other for local or state autonomy.
- b. Growing pressure from some metropolitan societies and large rehabilitation centers for direct affiliation with the National Society.
- c. Disputes or dissatisfaction over divisibility of funds, manifested in inappropriate efforts to classify income as "nondivisible," pressure from some sectors to retain larger proportions of funds at the local level, and attempts to demonstrate the need for more funds at the national level.
- d. Controversy over participation in federated fund drives
- e. Criticism of state and national policies and activities
- f. Flaunting of national policies by state and local societies
- g. Flaunting of state policies by local societies
- h. Criticism of research activity at the national level
- i. Diffused public image
- j. Criticism of service, or lack of service, from state and national societies
- k. Poor communication among organization levels
- l. No sense of identification with state or national; sense of isolation.
- m. Power struggles between organization levels, with threats of succession.

It is useful to think of the complaints and controversies listed as symptoms. In most cases they can be traced back to two underlying problems confronting the Society.

The first problem is the broad and diffused mission of the Society. Groups of people at different levels in the organization, and in different parts of the country, are engaged in carrying on a wide variety of programs and activities. Different groups,

carrying out different programs, are having trouble coordinating their activities and understanding each others' needs and problems. Often groups feel they are working alone, without any effective support from other parts of the organization.

The second problem is a lack of correlation or compatibility between the Society's mission and its form or structure. There is legitimate pressure for more control from the national level and at the same time for greater state or local autonomy. Groups often disregard policies set at other levels in the organization, and justify their behavior by claiming the policies actually interfere with accomplishing the mission the group has adopted.

The two underlying problems described above are not independent. However, both must be resolved if the symptoms noted above are to be eliminated. Part III of this report is devoted to a discussion of alternative approaches to resolving these problems.

PART III

I. The Concept of Mission

A. Effectiveness versus efficiency

An organization is efficient if it is smooth-running and well-coordinated. However, an efficient organization is not necessarily an effective one. An efficient organization can be ineffective if it lacks a real mission. Without a meaningful mission it has little effect on the environment and its efficiency is wasted.

In this initial discussion of mission, we will put aside considerations of efficiency to ask the question: What is an appropriate mission for the NSCCA, a Mission that will allow it to become a maximally effective organization?

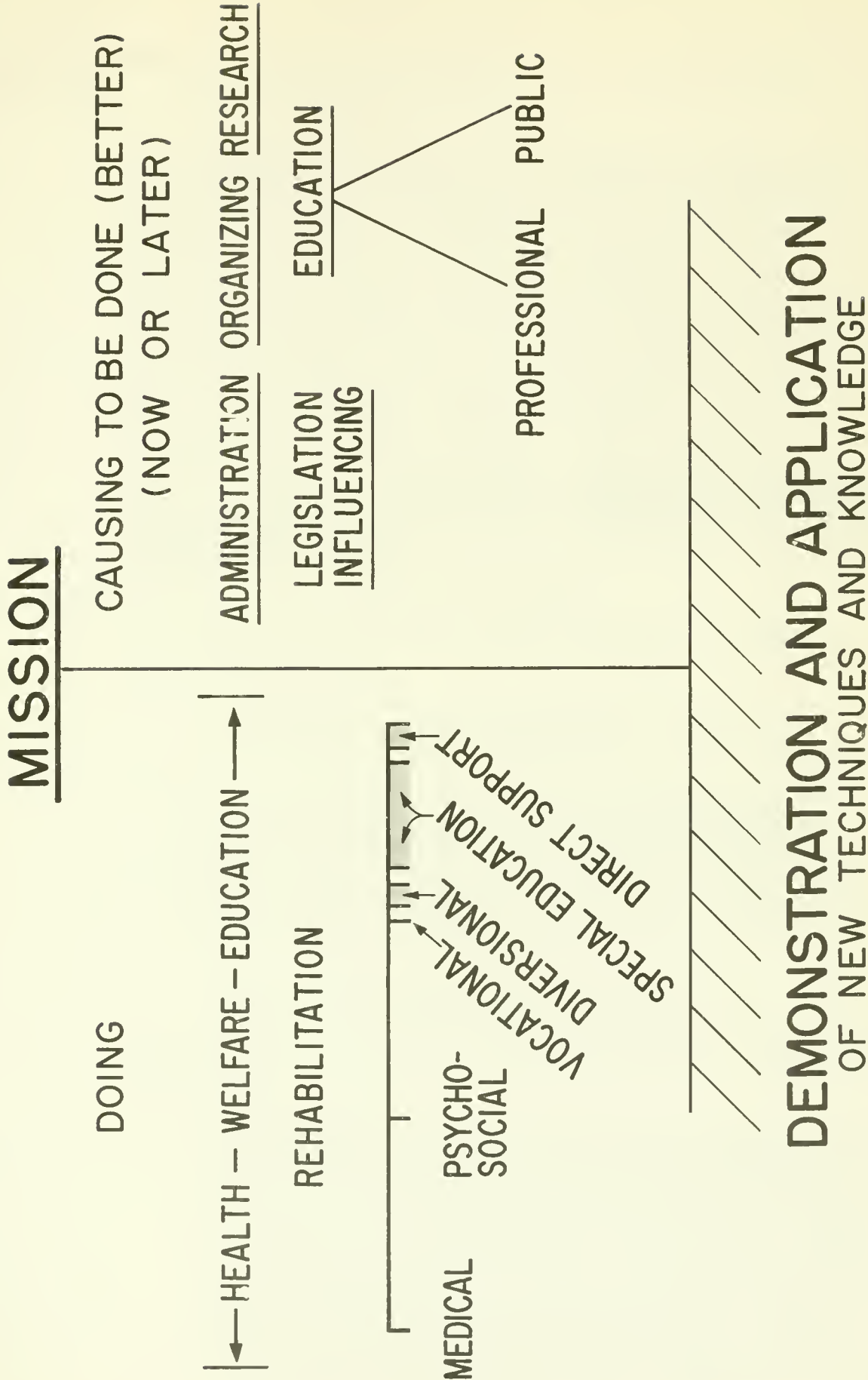
B. The mission spectrum of voluntary health organizations

Figure 4 illustrates the total mission spectrum appropriate to voluntary health organizations. On the left side of the figure are those activities or program areas involving direct care and treatment of the handicapped. Any activities directly related to ministering to the health, welfare and educational needs of the handicapped are included. This is the field of rehabilitation, broadly defined.

The right half of the mission spectrum includes those activities or program areas that relate indirectly to the care and treatment of the handicapped. These are service or support activities that cause care and treatment to be carried out, or to be carried out more effectively, either now or in the future. Activities such as administration, organization of new affiliates, research, legislative influencing, and both public and professional education fall under the heading of indirect activities.

Somewhere between doing and causing to be done lies a third class of activities or programs that might be labelled Demonstration and Application. This category includes programs designed to bridge the often considerable gap between the research laboratory and the clinic or rehabilitation worker. Applied research is usually necessary to convert the discoveries of the research scientists into techniques or devices useful for treating the handicapped. New techniques must be demonstrated and new knowledge disseminated to those in a position to apply them in direct care and treatment.

FIGURE 4



II. The Present Mission of the NSCCA

A. A Broad and Diffused Mission

The programs and activities currently carried on by the NSCCA and its affiliates encompass the entire spectrum of missions appropriate to voluntary health agencies. Nearly all local societies, and many state societies, are directly involved in the care and treatment of the handicapped. The national and state societies cause the work of rehabilitation to be done by providing administrative services, by influencing legislation, by organizing new affiliates, and by educating. At the national level the Society both carries on and supports research. Finally, both at the state and national levels there are programs for demonstrating new techniques and disseminating new knowledge. There can be no doubt that the current mission of the NSCCA and its affiliates is very broad. We would also suggest that the current mission is diffuse.

B. The Costs of Diffusion in Mission

One might argue that a broad mission is desirable on several grounds:

The Society is in a position to serve any unmet need of the handicapped.

Some organizations with very narrow or focused missions, such as the National Foundation, discovered that they were suddenly without a mission when a cure or preventive method was discovered. A broad mission eliminates the possibility of having to go out of business or search for a new mission.

There is some satisfaction to be derived from attacking a problem on all fronts.

However, there are also costs related to a very broad, or diffused, mission:

A diffused mission is difficult to administer or coordinate effectively. Organizational forms and policies admirably suited to carrying on certain programs may be poorly suited for carrying on others. For example, a mission that creates pressure for program funds at different levels of an organization (e.g. national and local level) creates conflict over the allocation of funds. A national program that has marginal relevance to programs carried out at the local level invites criticism of national programs, complaints

of poor service, and attempts to withhold funds. Strong national and local programs create pressures for both strong national control and local autonomy.

Limited resources, when spread too thin, may lead to a decrease in the quality of the programs carried on. Several programs carried on half-heartedly, with inadequate funds, do not add up to an effective total program. This can lead to a poor public image, competition for limited funds by advocates of different programs (e.g. different levels), and feelings of impotency and resignation.

A diffused mission projects a diffused image. An image that is neither visible nor coherent creates problems in fund raising and makes it difficult for individuals and affiliates to identify with the organization.

It is our conclusion that the costs of a broad diffused mission far outweigh the advantages.

III. Mission and Organization Structure

A. The Interrelationship

There is no "best" organization form. There is no organization structure or operating policy that is even optimal for all voluntary health organizations. There are organizational forms that are most appropriate for supporting particular kinds of missions. The congruency of mission and organization structure is critical for efficiency.

There are several ways one might approach the problem of relating mission and organization form.

We might assume that the present organization structure cannot or should not be changed, and search for a mission that can be carried out efficiently by the organization as it presently exists.

We might assume that we can change the organization structure at will. In this case we would search for the most attractive mission, and then try to change the Society into the kind of organization that can give effective support to such a mission.

We might determine those characteristics of the Society that are fixed, and those that are changeable. We could then use these as limiting

factors in choosing a mission. In this way we can exercise some freedom in deciding upon a mission for the Society and also realistically expect that the organization will be able to adjust so as to give effective support to the mission chosen.

The third approach to establishing a good match between mission and organization form seems most profitable.

B. Organization and Mission: Some Examples

The following three examples of mission and compatible organization forms are introduced to illustrate the relationship between mission and organization. They will be presented as relatively pure types representing the two extremes and the midpoint of a continuum along which organizations can be ordered.

1. Federated Organization and Community-oriented Mission

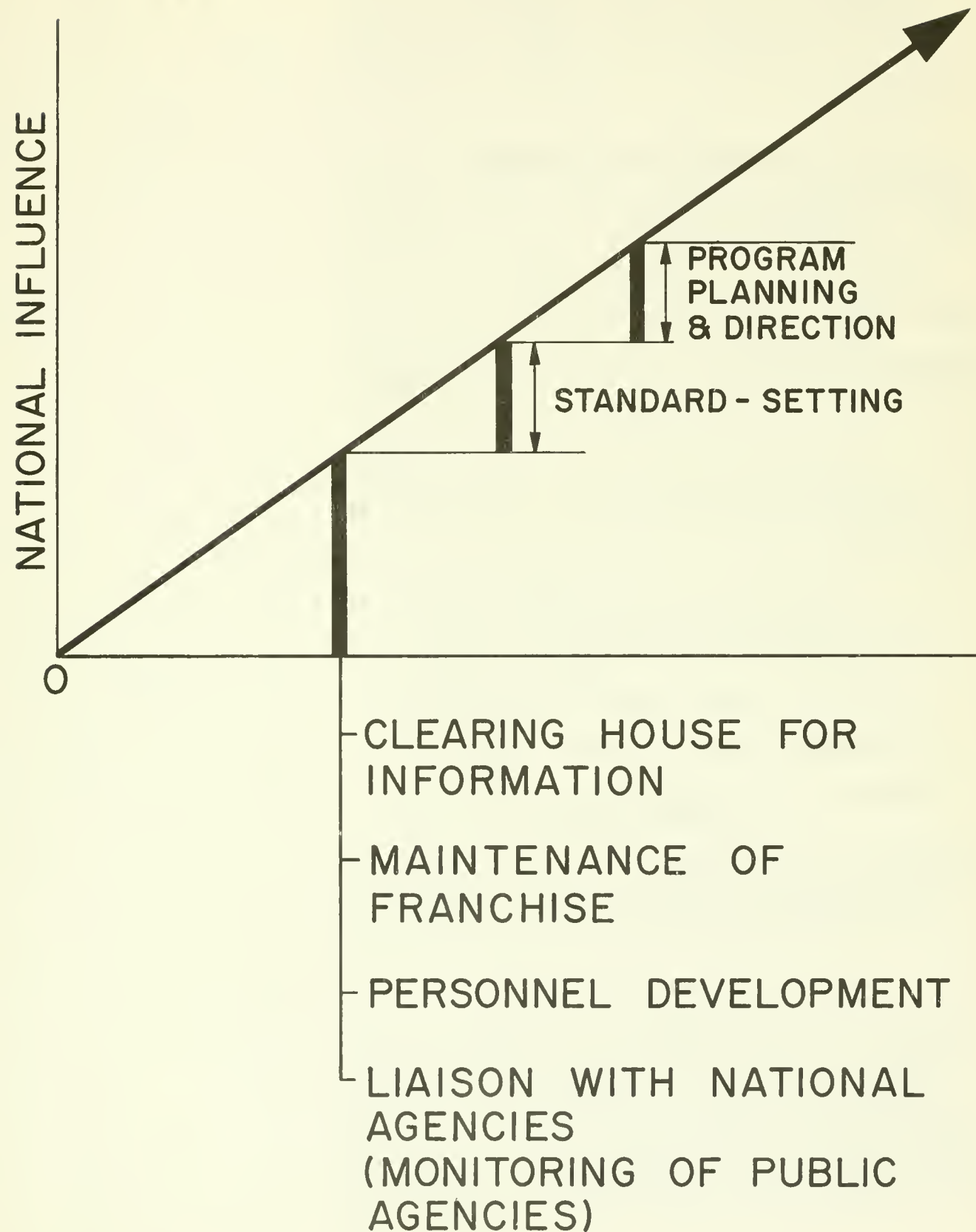
The term federated organization refers to a relatively loose affiliation of member units. By community-oriented mission we mean programs designed to meet the needs existing in specific communities. Because the activities of the organization are by their very nature decentralized, there is both need and pressure for local autonomy. The need for autonomy stems from the fact that local units must have flexibility both in designing programs to meet the needs of a particular community and in adapting to community pressures.

Research has established that federated societies tend to have affiliates that are legally incorporated, own real property, and have full-time staff paid at the local level. Each of these factors tends to make the local affiliate more susceptible to community pressures, which in turn motivate it to resist national directives when these conflict with local pressures.

In a truly federated organization, a national headquarters would have relatively little power or influence, and would carry out a minimum number of functions (See Figure 5). For example, a federal headquarters might exist solely to serve as a clearing house for information, to maintain a franchise, to effect liaison with other national agencies, and to assist in personnel recruitment and

FIGURE 5

FUNCTIONS OF A FEDERAL HEADQUARTERS



development. As a headquarters unit serves more and more functions, such as standard-setting, program planning and direction, etc., it becomes less a federal headquarters and more a corporate headquarters.

2. Corporate Organization and National Mission

The term corporate organization implies a group of member units tightly organized and closely coordinated under a strong national headquarters. By a national mission we mean one that attempts to serve the national rather than local community, and one that can be best accomplished through highly centralized and coordinated activities. What we have previously termed an indirect mission, including such activities as research, influencing legislation, mass education, etc., would qualify as a national mission.

Research indicates the the following characteristics are more frequently associated with corporate than federal headquarters:

- a. Restrictions placed on locals regarding use of funds
- b. Program planning and direction
- c. Standard setting and evaluation
- d. Higher percentage of funds retained at national level
- e. Tendency to assign chapter name to affiliates
- f. Tendency to specify local membership policies
- g. No active encouragement of cooperation with other local agencies.

It seems logical to conclude that a corporate type organization is more effective than a federated organization for carrying out a national mission.

3. Diversified Organization and Mission

It is possible for an organization to carry out a diversified mission, that is, both a national and a community-oriented mission. Several voluntary health organizations, including the NSCCA, do so with varying degrees of success. The probability of success is substantially increased if the various aspects of the mission are related or complement each other.

An organization that adopts a diversified mission will have characteristics of both a federated and a corporate organization. A planned diversified mission can provide a rational basis for allocating power and funds among different levels of the organization, and thereby minimize conflict among levels.

C. Problems Resulting from Incompatibility of Mission and Organization Form

There are a variety of organizational problems that can be directly or indirectly attributed to a lack of correlation between mission and organization form. Many are problems known to the NSCCA.

Problems of Control

The mission of an organization provides the most rational basis for allocating power to different levels of affiliates. A decentralized, community-oriented mission creates pressures for local autonomy and delegation upward. A national mission demands centralized authority, and delegation downward. Coexistence of a national and a local mission can lead to a variety of symptoms, such as a simultaneous demand for stronger national leadership and greater local autonomy, the flaunting of national policies, and frequent power struggles. These symptoms are reduced or eliminated when the parties involved have something to gain in terms of their own mission by giving up authority in certain areas.

Problems of Fund Allocation

In an organization with a strong national mission, funds must flow to the top. A strong decentralized or community-oriented mission demands that funds flow downward or be retained at the level where the mission is actually accomplished. Conflict is likely to occur in an organization with a diversified mission because there are simultaneous pressures for funds to be allocated both upward and downward in the organization. This can lead to such symptoms as dispute over and efforts to circumvent divisibility of funds formulas, and criticism over use of funds at other levels in the organizations. Again, these symptoms are less likely to occur if the levels involved can directly benefit, in terms of accomplishing their own mission, from funds expended at other levels.

Problems of Coordination

When a variety of programs and activities are carried on within one organization, problems of coordination inevitably result. This can lead to such symptoms as poor communication among levels or units, poor understanding of the problems of other levels or units, and a feeling of isolation. These symptoms are less likely to occur when the various programs and activities are directly related to, or complement, each other, making the various levels or units interdependent.

Mission and organization form must be compatible if an organization is to be both efficient and effective. A high degree of compatibility is more difficult to achieve in a diversified than in either a federated organization with a community-oriented mission or a corporate organization with a national mission. However, a diversified mission that is carefully planned can be effectively supported by an organization having some characteristics of both federated and corporate organizations.

IV. Three Alternatives for the Society

A. Emphasis on Direct Services: A Community-Oriented Mission

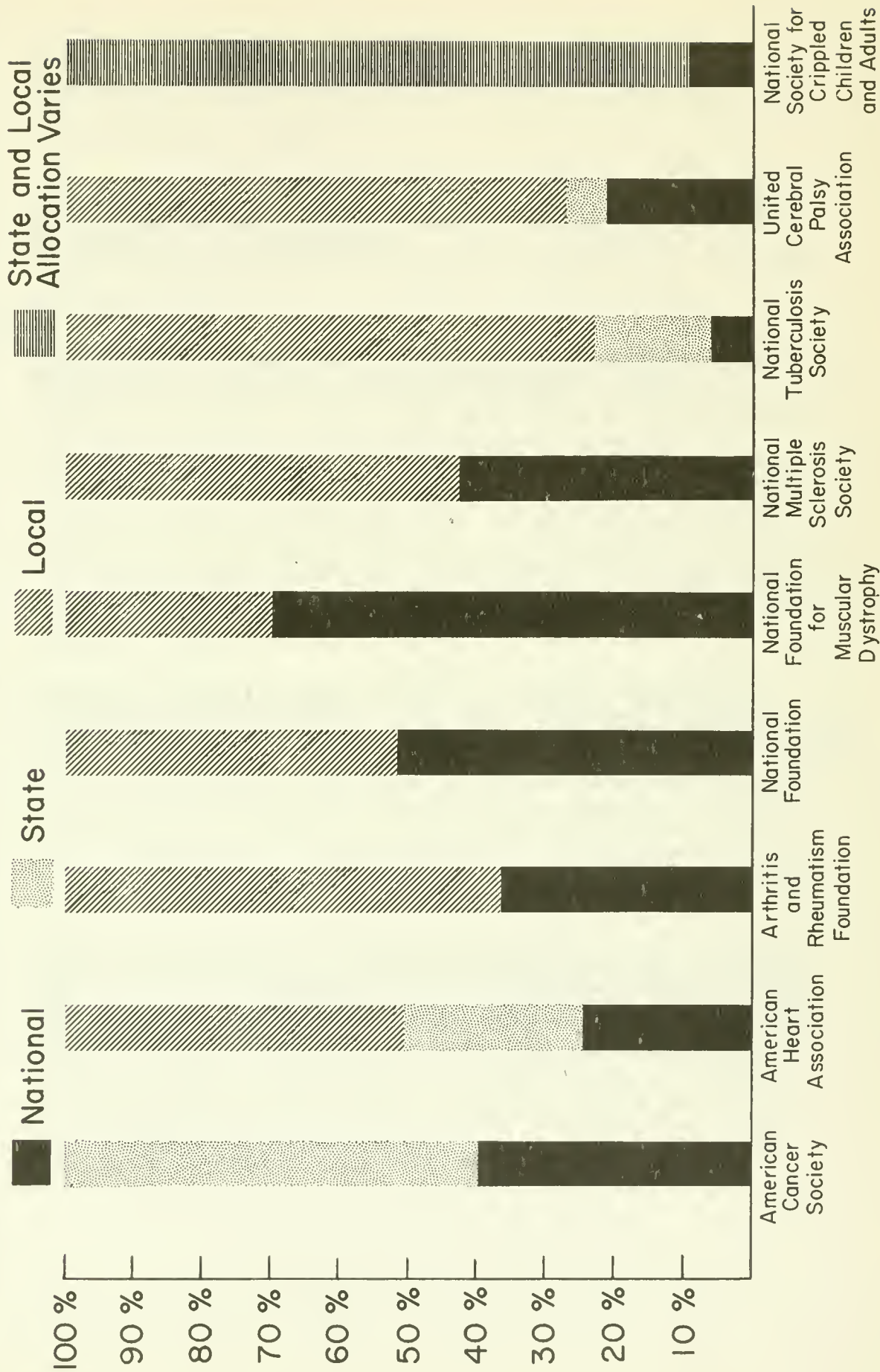
Direct service for the NSCCA means care and treatment, ranging from the most basic physical rehabilitation services for neuromuscular, orthopedic and speech cases to recreational- and psycho-therapy. Providing care and treatment is a decentralized, community-oriented mission.

A federated organization can provide the most effective support for a community-oriented mission. In this case a federated organization would consist of a loose association or conference of affiliated societies, all of whom would provide direct service to the handicapped. The community-oriented mission would be paralleled by an organization structure characterized by decentralization of power: each service affiliate would be virtually autonomous. Decisions concerning programs would be made at the service level. Decisions on how to raise money (e.g., whether or not to join the United Fund) would be made by the affiliate. Service affiliates would retain most of the funds they raised. (See Figure 6 for a comparison of present fund allocation by the major national voluntary health organizations.)

The functions of the national headquarters in a federal organization would be minimal. An essential function would be maintaining the franchise. Others might be to

FIGURE 6

ALLOCATION OF FUNDS BY THE MAJOR NATIONAL VOLUNTARY HEALTH ORGANIZATIONS



serve as a clearing house for information useful to service affiliates, personnel recruiting and training, liason with other national agencies, and national publicity (See Figure 5).

The national, in keeping with the focus on a mission of direct service, would discontinue present programs in research and education. Funds not required for administrative purposes would be reallocated to provide care and treatment at the service level of the organization.

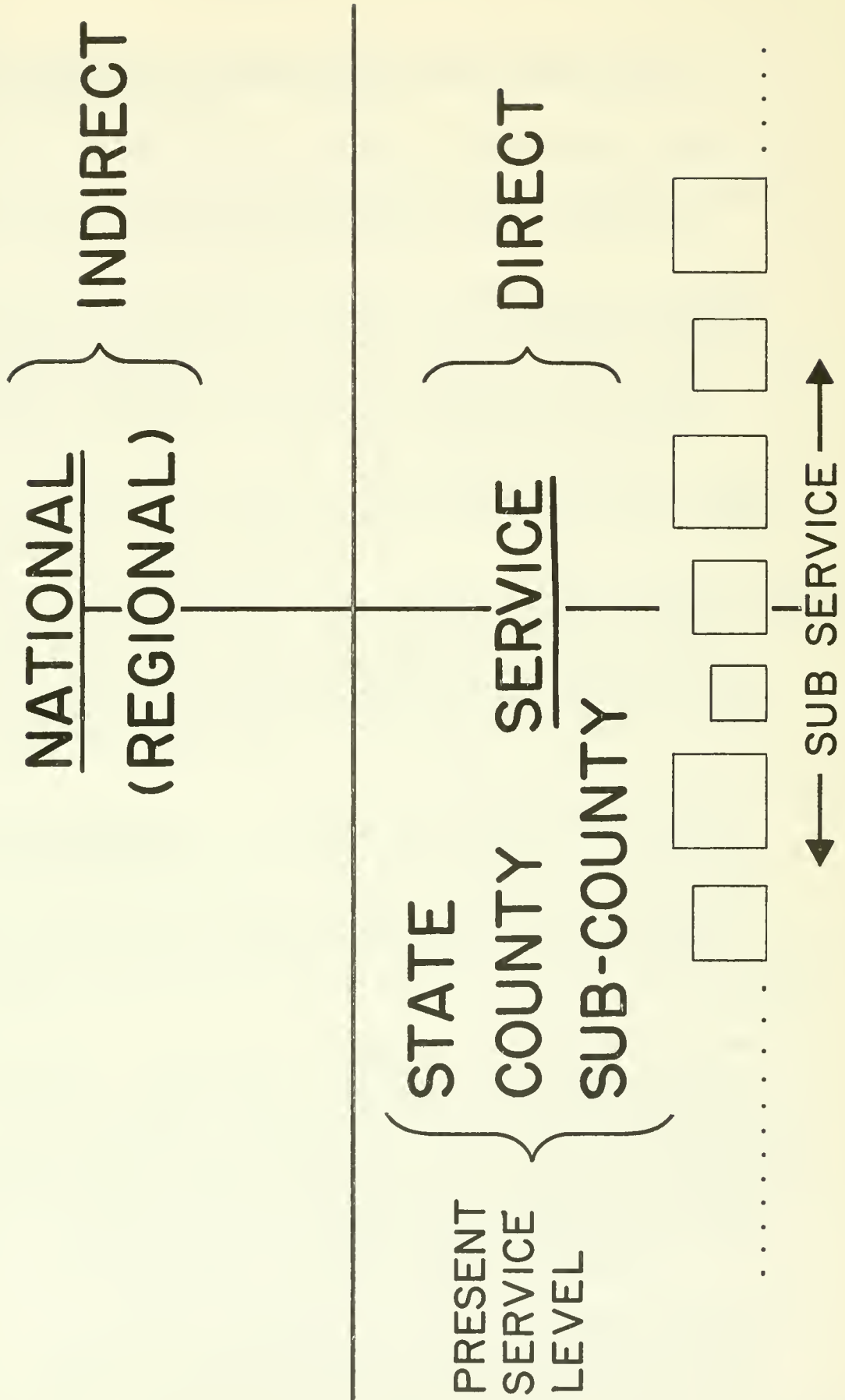
A federated organization could be administered most effectively with only two organizational tiers: a service level responsible for carrying out the care and treatment mission, and a national level existing for the sole purpose of providing limited services to affiliated societies (See Figure 7). A truly federated organization could be administered effectively from a single central headquarters. If the national headquarters were assigned more than the minimal functions, regional branch offices of the national might be set up. These would not, however, represent an additional level or tier; they would be an integral part of the national level.

Minimum standards would be set for units capable of carrying on an effective care and treatment program. (See Part IV.) Societies meeting these minimum standards would form the service level of the organization. All service level units would have equal status and would affiliate directly with the National Society. Any present state, county, or sub-county society carrying on a program of direct service and meeting minimum standards would be eligible to affiliate with the National Society as a service level unit.

Units not meeting the standards required for a service unit, and thus ineligible for direct affiliation with the national, might continue to operate as Easter Seal Committees. These subservice units would continue to raise funds and in return their area would be provided with care and treatment by the service unit to which the committee's funds went. Patients would be sent to the facilities of the service unit with which their region was affiliated, or mobile facilities would be made available to them.

FIGURE 7

ORGANIZATION LEVELS FOR A FEDERATED SOCIETY



Some Advantages of a Community-oriented Mission and a Federated Organization

1. Direct treatment is the Society's traditional role.
2. Volunteers derive satisfaction from the tangible mission of direct services and feel that this tangibility makes fund raising simpler.
3. Adoption of the federated form of organization would entail few changes since this is the form the Society already closely approximates. However, service level affiliates would have to accept the fact that the National Headquarters does not have, and is not intended to have, the resources necessary to provide strong leadership or more than minimal services.
4. A very large percentage of funds would be spent in the communities where they were raised, thus aiding public relations and fund raising.
5. Service level affiliates would have maximum flexibility in responding to community pressures without endangering their affiliation with the National Society. For example, the decision of whether or not to participate in a federated fund drive could be made solely on the basis of the particular circumstances of the service unit involved.

Some Disadvantages of a Community-oriented Mission and a Federated Structure

1. A mission of direct care and treatment will mean that the Society has no legitimate reason for being in towns or regions where the care and treatment needs of crippled persons are met by other private or governmental agencies.
2. Care and treatment offer relief for afflictions already incurred. In contrast, research offers hope of prevention or cure. In recent years the most successful voluntary health organizations have been those stressing research, such as the American Cancer Society and the American Heart Association. This trend has affected the NSCCA in the rise of organizations such as the Cerebral Palsy Association which emphasize research into the prevention or cure of crippling diseases as well as the care and treatment of those already afflicted.
3. Smaller service affiliates, with only limited resources for obtaining professional services, will be hurt by curtailment of consulting services from national headquarters. Wealthier affiliates, with their own professional staffs, will not suffer nearly as much, if at all.

4. Volunteers will not have the satisfaction gained from membership in an organization that has a strong national mission and image transcending geographical boundaries.
 5. Local autonomy leads to variability in the types and quality of programs carried out by affiliates. Bad publicity received by one affiliated society could harm the public image of the Society as a whole.
- B. Emphasis on Research and Education: A Strong National Mission

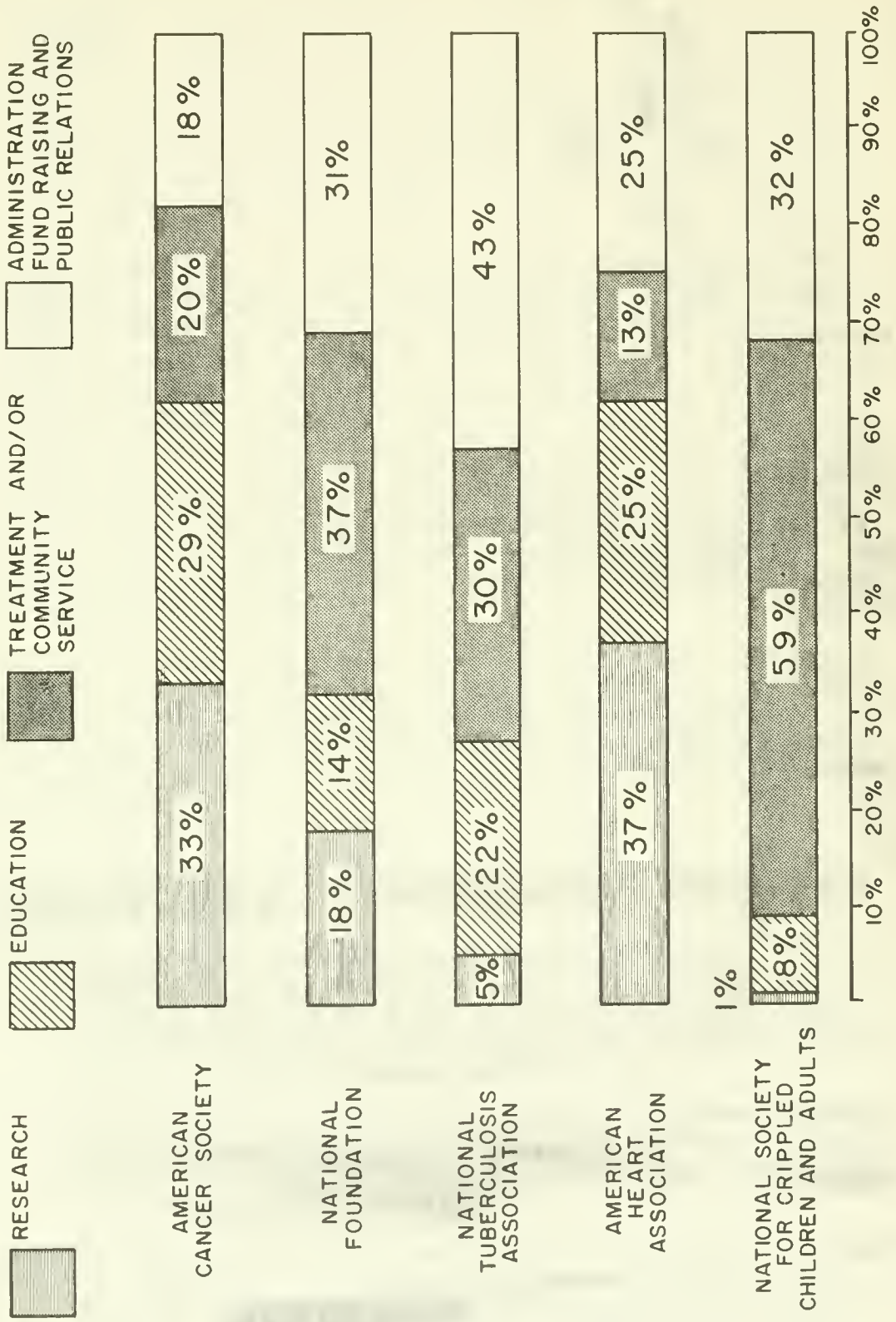
Research for the NSCCA might mean either basic research into the causes of crippling, or applied research translating laboratory discoveries into usable rehabilitation techniques. Education could mean (1) furthering the cause or concept of rehabilitation by educating the public in the concept and benefits of rehabilitation, (2) upgrading the knowledge of professionals working in the rehabilitation field, (3) subsidizing much needed rehabilitation education in medical schools, and (4) educating legislators as to the need for appropriate legislation.

A corporate type organization is the one best suited for carrying out a national mission. Such an organization is characterized by a strong national headquarters which makes virtually all policy decisions, employs virtually all the professional expertise in the society, and has a large, if not the largest, percentage of the organization's income at its disposal. The affiliated societies or chapters are arms of the national organization. Their duty would be to carry out the policies and programs decided upon by the national. Any local activities would be carefully evaluated against standards established by the national. Money allocated to the locals would be spent on programs planned at the national level and directly related to the national mission of research and education. Fund raising by the locals would be carried on in a manner prescribed by the national.

Probably the best known examples of a corporate society are the American Heart Association and the American Cancer Society. In the American Cancer Society, the task of the locals is the nationally assigned one of public education. The funds for this are allocated from above. The locals are discouraged, if not forbidden, to own property or other assets. The locals are told in what way they are to raise funds. For example, locals are forbidden to join a community federated fund drive on the grounds that the Cancer Society is not primarily serving as a community service agency. (See Figure 8 for a comparison of the program expenditures of the major national voluntary health agencies.)

FIGURE 8

PROGRAM EXPENDITURES OF THE MAJOR
NATIONAL VOLUNTARY HEALTH AGENCIES



If the NSCCA were to adopt a national mission of research and education, the national organization would formulate programs, allocate funds, set standards for locals and supervise their activities. Affiliated societies in turn, would carry out the programs and directives of the national. In keeping with the focus and content of a national mission of research and education the local societies would largely discontinue their present care and treatment services.

The structure of a corporate society would, like the federated society, consist of only two organizational tiers: an affiliate level and a national level. The national level would consist of the national headquarters and regional branch offices throughout the country. In keeping with the expanded administrative and policy making functions carried out at the national level, the staff of the national headquarters would have to be upgraded both in terms of size and professional expertise. Similarly, the regional branch offices of a corporate society must be of a sufficient size and competence to carry out the responsibilities delegated to them by the national and to maintain adequate supervision over affiliated societies.

The second organizational level would be the affiliate level. The affiliates would exist primarily for fund raising and for executing policies and programs formulated at the national level. Such programs would be directly related to the national mission of research and education.

Some Advantages of a Nationally-oriented Mission and a Corporate Society

1. Adoption by the NSCCA of a national mission of research and/or education would justify the existence of NSCCA affiliates even in areas where care and treatment needs of handicapped were served by other private and governmental agencies.
2. The Society's appeal would be more positive since it would be offering hope of advances in rehabilitation through its research program rather than just relief for those already affected.
3. The examples of the American Heart Association, Cancer Society and the National Foundation suggest that a national mission projects the strong public image which attracts enthusiastic volunteer and public support.

Some Disadvantages of a Nationally-oriented Mission and a Corporate Society

1. The necessary elimination or curtailment of care and treatment would (a) involve withdrawing from most of the Society's present commitments including the operation of rehabilitation facilities and (b) risk losing many volunteers and perhaps even affiliated societies who are emotionally and/or financially committed to the care and treatment of the handicapped.
2. The transfer of policy initiative and administrative control from affiliate to national level would involve reallocation of power. This would inevitably lead to downgrading the staffs of affiliate societies and upgrading the national staff both in size and professional competence to enable it to carry out increased responsibilities at the national level.
3. Medical research is being taken over by the government even more quickly and completely than rehabilitation services. The more neglected areas of applied research and education, however, could form the basis for a viable national mission.

C. A Diversified Mission and Organization

A diversified mission is one which contains elements of both a national and a community-oriented mission.

A diversified mission must not be confused with a diffused mission. A diffused mission consists of doing several things, the choice of which was neither studied nor coordinated but simply drifted into at different times and by different disconnected groups of people in the various branches of the society.

A diversified mission, on the other hand, consists of doing several things, the choice of which was deliberately made after study and with an eye to coordinated activity. The tasks are carefully defined and are coherent and compatible in their relationship to each other. They are not a variety of tasks chosen at will by either the national or the locals. A diversified mission is not, in short, the diffused mission, the wide and often confused spectrum of tasks or missions in which the Society is currently engaged.

It has probably become apparent from our description of the corporate and the federated organization forms that they are not so much distinctly separate entities as they are opposite extremes on a continuum. One could start

with the federated organization's national office and continue to add to its minimal powers until it increasingly resembles on the continuum the strong central headquarters of the corporate organization. Thus, a diversified organization would have characteristics of both a federated and a corporate organization.

We can assume that a diversified mission for the NSCCA would include direct care and treatment programs carried on by affiliated units. Any national program, therefore, would have to provide quite direct support for the community-oriented mission. One possibility for such a national mission would be carrying out or supporting applied research. This could be accomplished most effectively by establishing a national rehabilitation center that would serve as a much-needed link between basic research laboratories and community rehabilitation centers and professional workers. The primary function of such a center would not be to provide care and treatment as such, but to apply new knowledge and demonstrate new techniques in rehabilitation. A national rehabilitation center should include inpatient facilities so that patients needed in connection with specific research or demonstration projects could be drawn from throughout the country.

A second possible project for the national would be to divert its present research funds into applied research and demonstration of new rehabilitation techniques. A national mission of this sort would be directly complementary to a direct service mission at the service unit level. However, unless carried out on a large scale basis, it would be of only limited value to service units and would add little to the public image of the national Society.

A third national program that could complement the care and treatment programs carried on at the service level might be a public education campaign, similar in intensity to that waged by the American Cancer Society. The campaign would serve to educate the public in the possibilities and benefits of rehabilitation. Much of the underutilization of rehabilitation centers in the country today is ascribed to lack of public education. Such a campaign might thus be of immediate aid to service affiliates, particularly those operating rehabilitation facilities.

A diversified society should also consist of two organizational tiers or levels. The national level would consist of a national headquarters and its regional offices. The size and professional competence of the national headquarters and its regional offices would depend on the extent of the powers and responsibilities assigned the national organization. This in turn would depend on whether the national or the community elements of the mission were emphasized.

As in the federated society, the second tier would be a service level responsible for carrying out the care and treatment mission. There would be minimum standards for the establishment and maintenance of service units, and all service level units would affiliate directly with the national society. Details of organization at this level would closely parallel those included in the description of the service level of the federated society.

Some Advantages of the Diversified Mission and Diversified Society

1. The mission encompasses both the relief of present suffering and the hope of prevention or cure of crippling diseases.
2. The retention of direct services by the locals would avoid complications of withdrawing from the traditional emotional and financial commitments to care and treatment.
3. Carrying on research and/or education as well as providing care and treatment avoids total commitment to programs in which other private and governmental agencies are becoming more and more involved.
4. Transformation into a diversified society would require no great structural changes. The Society is already engaged in providing both direct and indirect services. The primary task would be redefining national programs to be more directly relevant to the care and treatment mission.

Specific Advantages of Operating a Rehabilitation Center Devoted to Applied Research and Demonstration

1. The role of demonstration of new techniques, of being a link between laboratory and clinic is probably the most useful role for the voluntary health organization, as pointed out by the Gunn-Platt report in 1945, the Hamlin report in 1961, and other comprehensive studies.
2. The center would be a tangible focal point of pride and unity for the Society and would also serve to gain public attention and support.
3. Service affiliates would benefit from the prestige they would derive from the successful operation of such a center, from the up to date knowledge with which it would provide them, and from the advanced training which it could give their own professional staff.

4. A national, pioneering rehabilitation center would be eligible for foundation and government grants.
5. Operation of a national, progressive rehabilitation center would also tend to attract outstanding professional people to the national headquarters, whereas a purely administrative job would not.

Specific Advantages of a Public Education Mission

Public education in the concept and value of rehabilitation is an important national need currently unmet.

Specific Advantage of Diverting Research Monies from Basic to Applied Research

It would be easy to accomplish.

Some Disadvantages of a Diversified Mission and Society

1. Different programs carried out at different levels of an organization have a built-in potential for conflict. This is apparent from what is happening in the Society today. Conflict can be avoided only through careful planning and intelligent leadership.
2. Failure to carry out the national mission effectively will lead to aggravation of the symptoms already present in the organization (see Part II).

PART IV

The issues discussed in this section are of only peripheral relevance to the discussion of a choice of mission for the Society. They are included solely for the information of the Study Committee. Most will be discussed in greater detail in the final report to the Study Committee.

I. Advantages and Disadvantages of Operating a Rehabilitation Center

A. Advantages

With a few exceptions, the operation of a rehabilitation center demands and forces the building up of a more alert, well informed, and competent board of trustees, executive staff, and professional advisory staff. Inadequacies at any level are more readily apparent in an operation of this kind.

A comprehensive rehabilitation center includes the in-patient care preferred by many doctors, thereby lessening the reluctance of those doctors to refer patients. This thus reduces one cause of underutilization of rehabilitation centers.

The volunteers generally feel that a rehabilitation center offers tangible evidence of service and aids in fund raising.

B. Disadvantages

There is evidence that the fast rising costs of operating a rehabilitation center will put an unbearable financial burden on local Easter Seal Societies.

Those knowledgeable in the field predict a great increase in the number of rehabilitation centers. With growing competition, these experts say that it is the smaller rehabilitation centers which will suffer. They estimate that at present the operation of a large, comprehensive center costs between \$400,000 and \$1,000,000.

Provision of medical services by the federal, state, and local governments is continuing to grow and is part of the trend noted above.

Public support of provision of medical services by the government is becoming more general and persistent.

Adequate planning in designing and especially in locating a rehabilitation center is extremely difficult. Failure results in a white elephant for which it is difficult or impossible to attract patients, volunteers or funds. It is also virtually impossible for the society in question to withdraw its sponsorship, and its future funds are committed to an ineffective and inefficient mistake.

II. Fund Raising

- A. If a community-oriented, federated type of mission and organization are adopted, it would be more logical for decisions regarding fund raising (for example, whether or not to join the United Fund) to be made at the service unit level where most decisions about policy and program are made and where practically all the money is spent on community programs.
- B. A corporate type of organization and mission focus on a national problem rather than on the provision of community services. In this case, the national organization, with its overall view of the problems involved, would be best qualified to make decisions regarding fund raising.
- C. If a diversified mission, one containing both strong national and community programs, is adopted, the answer is not so obvious. One solution might be a firmly enforced policy outlining the circumstances under which a service unit could participate in local United Fund appeals.

III. Divisibility of Funds

- A. If a corporate mission and society are chosen, the most feasible method of dividing funds might be the income tax, a fixed percentage tax upon the income of service units. In this way, the national headquarters grows in direct proportion to the growth of its affiliates.

The disadvantages of the income tax are:

It is said to destroy incentive.

As the income tax is presently constituted in the NSCCA, it is an open invitation to evasion because of the many loopholes, i. e. , funds which may be classified in one way or another as "indivisible income."

The great advantage of the income tax is that it is the most simple to explain and to operate.

- B. The selection of a federated mission would suggest an assessment method of dividing funds in which each service unit would pay only its proportionate share of the actual expenses of running the national headquarters. This proportionate share would be based on the potential of each community to contribute. This potential would be determined by three factors:

Population--with adjustments made to correct situations which would erroneously predict a higher potential, such as eliminating 75% of all the population classified as low income.

Effective buying income of the community.

Previous fund raising experience.

The assessment method has been perfected and used successfully by the Red Cross for years.

The primary advantages of the assessment method are that it corrects the disadvantages found in the income tax method, i. e. , the destruction of incentive and the invitation to evasion. Its major disadvantage is its complexity and the amount of work it would entail in computing and revising assessments for each affiliate. As stated, however, the Red Cross has not found these difficulties insurmountable.

- C. Again, as in the question of fund raising, there is no one obvious method if a diversified mission and organization are chosen. In making a choice between the two methods, the advantages and disadvantages of each should be weighed. The decision should perhaps be influenced by whether the diversified organization established is tending more toward a corporate or a federated society.

IV. The Setting of Standards

Standards are necessary if the integrity of the organization is to be maintained and if each society, no matter how successful, is to be protected from the ill consequences which could ensue from the publicized mistakes of one of its unmonitored affiliated societies. The power for setting such standards could be inherent in the franchise power even in a federated organization.

A. Program Standards

It would seem as though there are certain basic services which ought to be provided for certain fundamental groups of persons afflicted with crippling diseases. Such a basic program might require, for example, physical rehabilitation for those with neuro-muscular and orthopedic diseases and speech disorders. Only when an Easter Seal Society could show either that there was no need for such services or that it or some other agency in the community was providing such a range of services would it be allowed to elect programs of its own choosing.

B. Size Standards for Service Units

Greater efficiency in administration and in general would be achieved by the establishment of a set of standards governing the maximum and minimum sizes of service units. The standards for minimum size might parallel those of the American Heart Association, which deal with geography, population, ability to hire a full-time executive director, etc.

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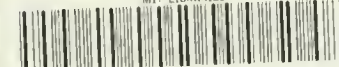
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