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THE BRITISH HOSPITAL OF LISBON: HISTORY FROM 1974 TO 2009

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The “English Factory”, the group of English merchants in Lisbon dating at least as far back as the 17th century, organized the earliest hospital in Lisbon to take care of the merchant seamen. From the earliest records toward the end of the 18th century, it went through a number of changes that were not always easy to follow. Mr A.H. Norris took on the difficult task of writing the history of the British Hospital from its beginnings towards the end of the 18th century until the early 1970s, prior to the 25 April 1974 revolution. Mr Norris’ book describes the complex history of the development of the British Hospital through a little more than two centuries and The British Historical Society published it in 1973.

This short history tells the story of how the British Hospital from the time of the Portuguese Revolution of 25 April 1974 and its gradual decline until it closed a little over 30 years later in the first decade of the 21st century. Information about how the British Hospital weathered the effects of the 1974 Portuguese revolution and its immediate aftermath was not available in the written documents in the files of the Associação de Amigos do Hospital Britânico or British Hospital. There is no question that the revolution created trouble for the functioning of the Hospital and some of it was mentioned in minutes of the Annual General Meetings (AGM), the source of the information used to prepare this account. However, the details of the dealings between the Hospital and those behind the revolution were not written down.

On 28 November 28 1974, the AGM of the subscribers of the British Hospital was held in the Royal British Club. HBM Consul General, A.G. Battle chaired the meeting and aside from dealing with the financial reports, appointments of the legal and fiscal representatives and election of the Council members, a few of the issues considered at the meeting continued to have importance and were never resolved throughout the rest of the history of the Hospital. There was no mention of recent political events.

The next meeting was not until April 1977. The Chairman, Mr. Glibbery, blamed the delay on having a meeting on difficulties brought on by the "national situation". The treasurer had gone to live in South Africa, and as a result a new treasurer had to be appointed. His first task was to finish the accounts from 1974 through to June 1977. Other problems that arose as a result of the "national situation" included registration of the Hospital and the increase in expenses as a result of bringing payments to the staff up to current levels. The latter was monitored by frequent visits from inspectors from the Ministry of Labour, as well as from members of the various unions. During this time, outpatient visits increased, however the number of inpatients had decreased. The Hospital was having severe financial problems and the amount charged to patients was being reviewed.

By the time of the AGM in 1978, the Hospital still had not been registered, but the Hospital Legal Advisor, Dr A.H. Reynolds, was working on it. Nevertheless, this situation continued until the time the Hospital closed. In addition, Hospital income had decreased and it was possible that patient charges would have to be increased again.

Even though the Treasurer said the Hospital would only break even in 1980, the Hospital was considering plans for extensions, plans that continued under discussion up till shortly after the year 2000. The Council also began considering registration of the Hospital as a charitable institution.

At the AGM on 11 March 1982, the registration of the Hospital as a charitable association was at hand after a five-year delay. The principal reason for creating the charitable association was the possibility of bringing the Hospital's "considerable holdings abroad" into Portugal to cover expenses in the event that the Hospital had to close when it had been serious financial problems.

The proposed Articles of the Association of the Friends of the British Hospital were submitted for approval. However, the next AGM reported that this had delayed indefinitely on the recommendation of the Legal Adviser who "did not consider the moment opportune".

The Hospital had held an Appeal to raise funds and had collected 4,500,000 escudos. With these funds the Hospital had purchased an X-ray unit and re-equipped and made alterations to the surgical suite.

At the 1985 meeting, financial problems were again an issue and Hospital improvements had to be paid for out of income along with fund-raising events already held and being planned. The fund-raising activities had to continue for at least two years in order for the Hospital to maintain effective functioning. At the 1987 AGM, the treasurer stated that the Hospital was on target to break even on general income and expenses within three to four years.

However, at the September 1988 AGM, an operating loss of 11 million escudos, before donations and legacies, was reported. During the period from 1960 to 1987 the average loss was 27.9% of general income; in the previous five years this had increased slightly to 28.9%. It was believed that improved management and an investment programme, including an upgrade of the electrical system, could reduce the level of operating loss. This should also halt the decrease in patient numbers noted in recent years.

At the 1990 AGM, it was reported that operating income was more than operating expenses. This was attributed to building improvements costing 44 million escudos, which had resulted in increased use of the Hospital. However, the number of outpatients had decreased substantially due to increased competition from clinics "down the line". This was a trend that would continue to plague the Hospital to varying degrees throughout its remaining existence.

A major change took place in 1992 when the British Hospital established the Associação de Amigos do Hospital Britânico (AAHB), which took over its management. The AAHB held its first general meeting on 26 May 1992 and named the Founder Members of the association. At the meeting on 29 September 1992, the AAHB approved the minutes of both the first meeting of the AAHB on 26 May and the last meeting of the British Hospital on the same date. The AAHB also took on all the British Hospital's assets and liabilities, as well as the rights and responsibilities, including the hospital staff.

The General Assembly meeting in 1994 received a proposal from the Administrative Council for what was called the Hospital Opportunity Project. The Assembly approved the project, which was intended to develop proposals for the future of the Hospital.

The Assembly asked the Administrative Council to have the Hospital Opportunity Project submit a report on the proposed ideas for Hospital development. In part, the idea of the Hospital Opportunity Project came about because there had been an indication at the time that the British Government would sell its existing Embassy building because of the cost of renovation and then take over one or more of the buildings in the Campo de Ourique site. As a result the Administrative Council believed that something had to be done to keep the Hospital in existence, as well as improve its efficiency and profitability.

In 1995 the AAHB held an Extraordinary General meeting to consider the report from the Hospital Opportunity Project. Prior to the report, the President of the Assembly stated that despite the Hospital being established by the British, its survival without the participation of other nationalities, especially the Portuguese, would not be possible.

The Report stated that the Project had three options. First was to invest in a larger building, maybe between Lisbon and Cascais. This would require the participation of a partner with sufficient funds to purchase a new building. A second option was to remain in the same facilities and improve the Hospital. This could have required reconstruction and had the potential of increasing the area. The third option was to expand the area of the Hospital by reaching an agreement to take over neighbouring buildings in the Estrela site to provide for a larger hospital with room for more services, beds and parking.

Numerous questions were raised about the project options and how they were to be carried out. An important focus of these questions concerned the source of the money that was to be used. With the agreement of the General Assembly, the Hospital

Opportunity Project was to be carried out by the Administrative Council of the AAHB.

Over the next few years discussions of the Hospital Opportunity Project occupied a major part of Advisory Council meetings. In addition, Council members visited possible sites for a new hospital, considered plans for expansion of the existing facility and spoke with potential sources of funds. In the end, none of the options proved feasible because of the lack of funds.

On 25 March 1997 the AAHB held an Extraordinary General Assembly to approve changes to the AAHB Statutes. The purpose was to bring the existing statutes into conformance with Portuguese laws as stated by the Centro Regional de Segurança Social for Instituições Particulares de Soliedaridade Social (IPSS), thereby allowing the AAHB to be considered a charitable organization. The changes were approved and the AAHB was registered with Social Security as an IPSS, a status it maintained until it closed.

As an IPSS, the AAHB had two General Meetings per year. One was to approve the accounts for the previous year and the second meeting proposed the following year's budget and elected the members of the Administrative and Fiscal Councils. At the 1997 meeting, finances were stated not to be as good as expected. This was due to an increase in employee costs and a decrease in patient revenue.

In addition to the operating expenses, the Hospital also had capital expenses that aggravated the financial situation. Some of the expenses were to repair the aging Hospital equipment and building. Other costs were associated with the purchase of new equipment for new services or to update older equipment. This

situation continued and the Administrative Council was unable to find sources of outside funds. In the year 2000, one of the doctors suggested a group that was willing to provide funds as part of a new company that would participate with the AAHB and doctors in the management of the Hospital. Negotiations were initiated and at the 27 June 2000 meeting the General Assembly unanimously approved the continuation of the negotiations to found the new company.

The new hospital management company was named Lisbon United Kingdom Hospital (LUKH) and was comprised of Galia (a bank subsidiary) with 50%, the AAHB with 30% and a group of doctors with 20%.

On 17 October 2001 the General Assembly of the AAHB voted favorably to sign the Cessão de Exploração with which the AAHB would cease management of the British Hospital, which would be taken over by LUKH. Through all these negotiations it was made clear that the AAHB would remain responsible for the Hospital building and property, which it rented from the British Protestant School Fund and ultimately belonged to the British Crown.

In the month of December 2001 the documents setting up LUKH and transferring the management of the British Hospital were signed by the three investors. During this same month the AAHB had reached the point where its liabilities exceeded its assets. Therefore, without LUKH taking over the Hospital's assets and liabilities, as well as its responsibilities, including the hospital staff, the AAHB would have gone into bankruptcy and the British Hospital would have been closed in 2002.

For the next eight years, the AAHB continued in operation, primarily to monitor the activities of LUKH and deal with other legal and financial matters. Three members of the AAHB Administrative Council were appointed to the Administrative Council of LUKH and reported back to the AAHB. Another important function they had was to provide input from the British Community to LUKH.

LUKH initiated a reorganization of the Hospital, as well as began work on upgrading and improving the Hospital and its services. In addition to making major improvements to the existing services, LUKH added new services and doctors. Just a year later in December 2002, LUKH took over the Instituto de Urologia, which was entering bankruptcy and opened the British Hospital-Lisbon XXI. Most of the funds came from the main investor in LUKH.

The investments in remodeling, new equipment and a new hospital were expensive. Unfortunately, the income from the British Hospital in Campo de Ourique continued to decrease and expenses increased. As a result, by the year 2007 the liabilities exceeded assets, but LUKH did not declare bankruptcy. In 2009 the AAHB and the doctors' group pushed the situation and LUKH declared bankruptcy. According to the contracts signed in 2001, the British Hospital and its staff reverted to the AAHB, which did not have sufficient funds to continue the operation of either the British Hospital or the AAHB. As a result the British Hospital closed in August 2009 after over 200 years of operation and one year short of its centennial in Campo de Ourique. The AAHB did not have a source of income, closed by the end of the year 2009. At the time it closed the British Hospital was no longer British in the sense it had been a number of years before. It had no British staff or doctors and almost all the patients were

of other nationalities since the British Community was using the doctors and clinics in the Cascais area, which had increased significantly in the final years of the 20th century.

Joe Abdo is an American who has been living in Portugal since 1984. After a long career in health care in California, he took a mid-life break and became an apprentice in a Portuguese ceramic tile painting factory. Deciding to live here, he got work as an English teacher, translator and writer; he was also involved with the Lisbon players. As a writer, he has had more than 80 articles published in magazines in Portugal and abroad. He has published three books and just finished a fourth one on the first European to cross the Himalayas to Tibet. In 1992 the British Hospital discovered Joe's background in health care and he was asked onto the Board of Directors, later becoming CEO. He was instrumental in forming a corporation to manage the Hospital and provide a source of much needed capital. Unfortunately he also had the painful task of watching the Hospital continue to lose money until it had to be closed.

Joe would like to dedicate this to Jimmy Gray who started on the Hospital Board in 1992. Jimmy spent a great deal of his time and energy trying to keep the Hospital open and then making sure that it was closed with dignity. Jimmy died a few months after his greatly appreciated contributions to the British Hospital.