

Marshfield Clinic is created



Clinic Historian G. Stanley Custer, M.D., brings his historical series to a close with this special edition of PULSE highlighting the birth of Marshfield Clinic 75 years ago. Watch for more historical articles from Dr. Custer in upcoming issues of PULSE.

In 1915, Europe was engaged in a bitter war with Germany. America was beefing up its military. Marshfield was a bustling, growing community of 7,100. It didn't have an empty house or an unemployed person. Located at the hub of five railroads, it boasted 42 arrivals and departures daily. One could board a train in Marshfield and travel anywhere in the United States!

It was a town which had always attracted doctors. In 1915, 10 physicians were practicing here. Karl W. Doege was most prominent. An over-

worked doctor, he had more patients than one man could comfortably handle. He recently had arranged capable assistance when he engaged Walter Sexton, a graduate of Johns Hopkins and fresh out of a sound surgical residency program.

Doege appreciated Sexton's medical experience and organizational skills. He relished the interaction with Dr. Victor Mason and Dr. Hansford Milbee at the operating table. The feeling was mutual. He worked well with other doctors, too. K.W. enjoyed the educational atmosphere. But that was not enough. One day, early in 1915, he introduced Mason and Sexton to an idea of working more closely together and possibly specializing. They thought about it. Mason briefed his close friend, Hansford Milbee. It was an interesting concept, he thought. A few months later they all consented to meet after work in K.W. Doege's office to discuss the matter further.

Several informal meetings followed. There was general agreement that the advantages in associating in a more structured practice arrangement were worth pursuing. If they were to proceed, courtesy dictated that they should notify the other doctors in the community and invite all of them to participate in the planning. The idea was to pool all resources; develop a variety of specialty practices in order to achieve better scientific and practice skills; preserve the right of the patient to choose his or her own doctor; provide improved medical care without concern for material enrichment; provide improved

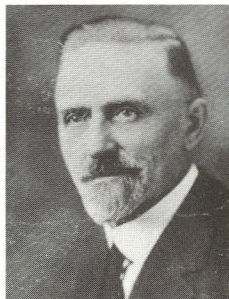
opportunity to keep abreast of the latest scientific developments; and provide educational programs.

In April 1916, invitations were given to all Marshfield physicians. The concept was outlined. They should think about it. Discussions of the matter followed. Doctors met in quiet little knots of impromptu groups around the hospital. During the ensuing months, structured meetings were held in the doctors' homes at night and frequently in K.W. Doege's office on Third Street. There were many problems to be worked out. What form should the organization take? What should be its scope? Where should it be located? Who will choose personnel and equipment? Cost? Name? Management? Leadership? The most sensitive problems were what to do about accounts receivable of the individual doctors and how would the doctors be paid. By the end of the year it appeared that there was significant agreement that they should go ahead with the planning.

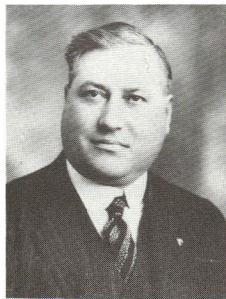
Each doctor was asked to commit himself to participate. That was a horse of a different color. Not everyone wanted to become part of such a union. Dr. Hayward was content to continue practicing in his home. Dr. Budge was aging and all but retired. Dr. J.B. Vedder was preparing for his brother Harry to join him in practice. He had just contracted to have new offices above the Trio Theatre enlarged and renovated to accommodate this change. He had paid honest money down. It was costly. He



K.W. Doege



William Hipke



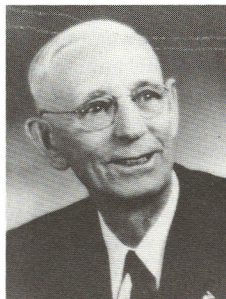
Victor Mason



Walter G. Sexton



H.H. Milbee



Roy P. Potter

couldn't welch on his contract. He would lose too much money. Vedder thought the idea was good, but grouping together would create unfair competition for the outside doctors. J.B. might consider joining later only on condition that they would take Harry, too. On the other hand, he might just start his own group.

Dr. Henry Wahle, a tippler of some proportions, was nevertheless, a popular practitioner of 20 years of experience. He was hostile. He absolutely had his mind made up. He was not going to join! A group practice was bad for the patient. It created unfair competition for the solo practitioner. He was angry because he was going to lose his offices to the new Clinic facility. On March 29, 1916, he sold his practice and furniture to Dr. Vic Mason, left his family and took the Burlington train to San Diego, Calif., where he became company physician to a ship-building

ment. Its true value was that it entitled a physician to one equal vote at the board of directors meeting. No more than six shares were available for sale. Establishment of this private medical clinic as a corporation became unique in the annals of medical history.

The lawyers prepared the legal documents embodying the concepts which the founders envisioned. They proposed to establish and operate hospitals, offices and dispensaries; employ physicians, dentists, nurses and attendants; purchase and sell drugs, instruments and appliances; and purchase and sell real estate anywhere in the state of Wisconsin.

The doctors avoided calling the Clinic "The Doege Clinic" or naming it after any other or all of the founders. They wisely chose to call it, "Marshfield Clinic," a broader term leaving the organization without any taint of proprietary interest.

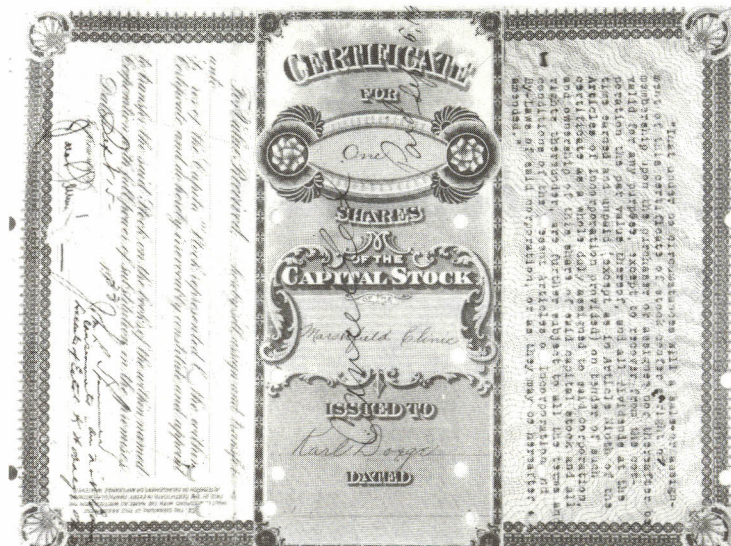


firm. In the end, K.W. Doege, Victor A. Mason, H.H. Milbee, Walter G. Sexton, William Hipke and Roy P. Potter agreed to covenant with each other to form a group practice.

These six physicians hired the legal firm of Brazeau and Goggins of Wisconsin Rapids. These attorneys wisely recommended that the group incorporate as provided in Chapter 86, page 1367 of the 1915 Wisconsin statutes for "Medical or Medical purposes." (The legend that Marshfield Clinic was founded by a special act of legislation is erroneous). They created an uncommon, even unusual corporation. Each member was required to purchase one share of non-interest bearing, non-transferable stock having a par value of \$1,000. That was a substantial monetary commit-

The decision-making body of the Clinic was a six-man board of directors composed of all of the doctors, to be elected at the stockholders meeting. That was set for the first Tuesday after the first Monday in January and at the same time thereafter. A simple majority constituted a quorum. The officers would be the president, vice president, secretary and treasurer. The completed articles were signed by the six stockholders and notarized by Amos Roll and J.H. Cundy, tellers at the Marshfield State Bank. They were then sent to J.S. Donald, Secretary of State, for approval.

On January 12, 1916, Herman F. Thiel, (Marilyn Graham's grandfather), Nasonville cheesemaker and president of the Marshfield State Bank, purchased a two-story brick building from the First National Bank. It was located on the southeast corner of Third Street and Central Avenue, at 301-303 South Central Avenue. The price was a "few thousand more or less than \$22,000." He promptly converted



the lower portion into a fine new movie theatre seating 500, in competition with J.P. Adler. It was completed by the end of April. In August, the six doctors desired to rent the entire second floor for the new Marshfield Clinic. Kaye's 5 & 10 Cent Store wanted to take a long-term lease of the space occupied by the theatre. Thiel gladly abandoned the amusement business and hired George Strang & Son to renovate the entire structure. First it was necessary to vacate the offices of Bauer & Eiche, a real estate firm, and Dr. G.E. Harrington, dentist. The residents living upstairs – Mrs. W.J. Wicker and her daughter Ethel, and Margaret Sturm – had to be moved. The latter was the widow of the undertaker whose business previously occupied the lower floor.

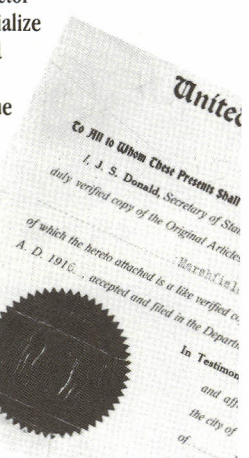
August 22, 1916, Marshfield Clinic and Thiel agreed to a 5-year lease beginning January 1, 1917. There were conditions. The Clinic had to bear the expense of remodeling the building to suit their professional purposes. That included the toilets and lavatories. Thiel had to install pipes from the mains to the fixtures and sewer pipes to the disposal line. He had to install radiators and pipes for the circulating hot water heating system. The proprietor was also responsible for new windows with screens, electrical wiring and a new waterproof roof with a skylight. He had to widen the stairway to 6 feet, tile the entrance and provide heat and water and a store room in the basement. The doctors agreed to pay Thiel \$1,500 per month.

In November, Victor Mason and Karl Doege went to Chicago to choose oak furnishings to match the oak motif of the interior decorator.

Drs. Doege and Milbee donated their X-ray equipment. Milbee also donated his Cameron proctoscopic table and instruments. New oak examination tables were being manufactured. Otherwise, each doctor brought his own office equipment and, for the time being, linens and supplies. Laboratory equipment and useful reagents were consolidated.

The physician-stockholders became employees of the corporation. Each was required to daily provide to the book-keeper all cash received and a correct statement of his earnings and accounts. All damage and litigation costs of employees were included as Clinic expenses from which the Clinic had no right of reimbursement.

The doctors agreed among themselves that K.W. Doege would do general surgery and specialize in thyroid and gastrointestinal surgery. Victor Mason would specialize in orthopaedic and brain surgery but would also continue to do general surgery. H.H. Milbee would specialize in internal medicine and discontinue performing surgery. Walter Sexton would do all of the urology for the group. Dr. Potter would become the radiologist, and William Hipke would continue his practice in



United States of America

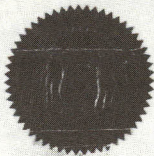
State of Wisconsin,
Department of State.

To All to Whom These Presents Shall Come, Greeting:

I, J. S. Donald, Secretary of State of the State of Wisconsin, do hereby certify that a duly verified copy of the Original Articles of Organization of the

Marchfield Clinic

of which the hereto attached is a like verified copy, was on the 23d day of December A. D. 1916, accepted and filed in the Department of State.



In Testimony Whereof, I have hereunto set my hand and affixed my official seal at the Capitol, in the city of Madison, this 23d day of December A. D. 1916.

J. S. Donald
Assistant Secretary of State.

eye, ear, nose and throat. All of them would continue to deliver babies. Pregnant women were still giving birth in the home.

The six founders agreed to base initial salaries on the average of the individual physician's earnings during the previous 2 years. The figures were substantiated by his bank statements and office records. From this information, a committee composed of Walter Sexton and H.H. Milbee would work out a salary schedule to be presented at the first meeting of the board of directors. Accounts receivable to the individual doctor prior to the formation of the Clinic would be documented in the business office. If a patient voluntarily paid his old debt, that money would be turned over to the physician to whom it was owed. Few patients came to pay and none were ever asked. Henceforth, all other new monies and accounts belonged to the corporation.

K.W. Doege had his eye on A. Morgan Chase to be hired as Clinic manager. Chase was a red-haired, professional appearing man who bore "an unmistakable resemblance to Franklin D. Roosevelt." He was born and raised in Oshkosh. He had worked for the "Jacksonville (Florida) Times". After that he became public relations representative for the Florida Citrus Growers Association. More recently he was employed by a Milwaukee newspaper. On July 1, 1916, he came to Marshfield to become the first Executive Secretary to the newly established Marshfield Businessman's Association, forerunner of what is now the Chamber of Commerce. Doege was impressed by Chase's experience. In a short time his work for the Businessman's Association did much to advance the condition of the local businessmen and the image of the Marshfield community. Twelve-hundred

dollars was better money than the businessmen paid so Chase agreed to work for the Clinic.

By the end of November a number of additional employees were secured by the group to begin work January 1, 1917. Nora E. Long, a 52-year-old stenographer-bookkeeper,

was hired to handle the new in-house telephone system and the three lines coming into the Clinic from the Marshfield Telephone Company. Her salary was \$40 per month. Selma Bartmen, daughter of a local shoe merchant, was employed as a stenographer, librarian and record room clerk for \$50 a month. Theresa Jadack, an office clerk and stenographer, was being trained by Victor Mason to become head of the laboratory. Marshfield Clinic would pay her \$36 a month. Mrs. C. Faleske was secured to be the receptionist. Dr. Hipke and Dr. Mason were appointed to a committee to search for a trained nurse.



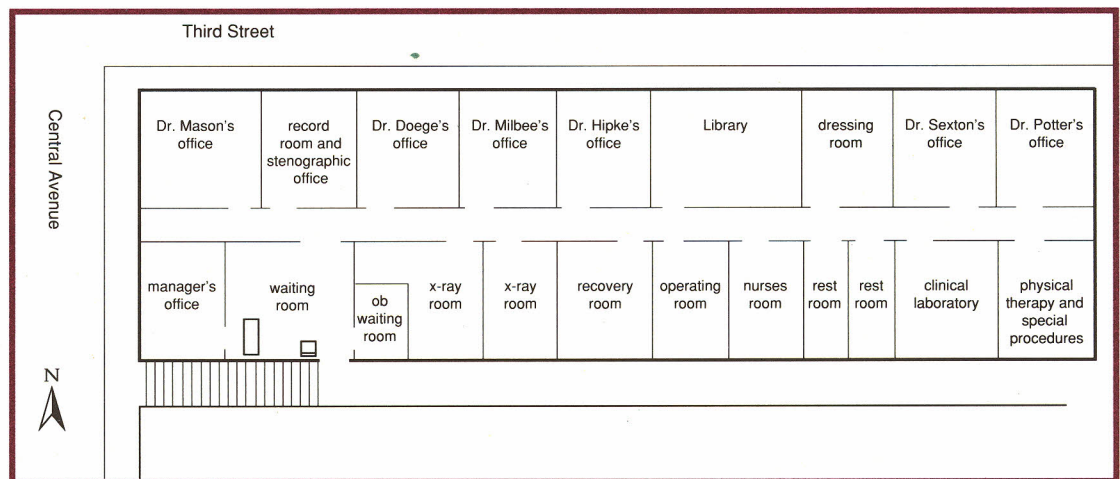
When completed, the Clinic facility occupied 21 rooms and approximately 4,400 square feet of space. The Central Avenue entrance was tiled in white and above it extended into a long steep stairway. It was wide enough to permit easy passage in both directions and to facilitate hauling patients up and down. Thiel said he would build an elevator some time in the future.

At the top of the stairs to the left was a large waiting room. The walls were wainscotted in natural oak as was the trim throughout the facility. Just inside the door, a wooden chair was conveniently located to receive the breathless heart patients, the elderly, the weak and the fatigued. There was a single reception desk near by. Fixed in the center of the room was a large circular sofa upholstered in squeaky, black leather. It surrounded a large tall potted palm, a donation from Dr. Victor Mason's old office. The perimeter of the room was

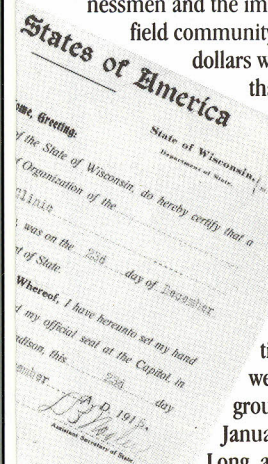
lined with attractive, armed oak chairs. A door to the left opened into the manager's office looking out on Central Avenue. On the opposite side of the waiting room, a door led into a small isolated waiting room for pregnant women. To the north, across from the entrance, a wide, oak-trimmed doorway led into a long corridor oriented east to west. It was 8 feet wide and done in the same oak decor as the waiting room. Doctors' offices and service rooms were strung out along both sides. Victor Mason's corner room was the most spacious and well-lighted. It faced both Central Avenue and Third Street. Eastward, next to him on the north side, was the record room and stenographic office. Then in succession were located K.W. Doege, H.H. Milbee and William Hipke. Next, the doctors provided for a library in which they assembled all of their personal medical volumes and journals. A leather-bound 'system of medicine' used by Dr. Budge was a gift from that retired community professional. Adjacent to the library was a dressing room followed by a spare room and the offices of Drs. Sexton and Potter at the extreme northeast end. On the south side of the corridor, across from Potter, was a physical therapy and

special procedures room, followed in order westward by clinical laboratory, toilets, nurses room, operating room, recovery room and two X-ray rooms.

The first meeting of the incorporators of Marshfield Clinic was the shortest meeting in its history. It was held pursuant to Article 10 of the new Articles of Incorporation 2 days before Christmas on Saturday, December 23, 1916. The meeting was called to order at 2:00 in the afternoon in the office of K.W. Doege, 108 West Third Street. All founders were present. Doege was elected temporary chairman and Vic Mason temporary secretary. The momentous business, the establishment of Marshfield Clinic, could not be transacted because certification of the Articles of Incorporation by the Secretary of State had not yet been received. Nor had the document been recorded with the Wood County Registrar of Deeds. The meeting adjourned 15 minutes after it started to Saturday, December 30, 1916, at 2:00 p.m. at the same place.



First Marshfield Clinic

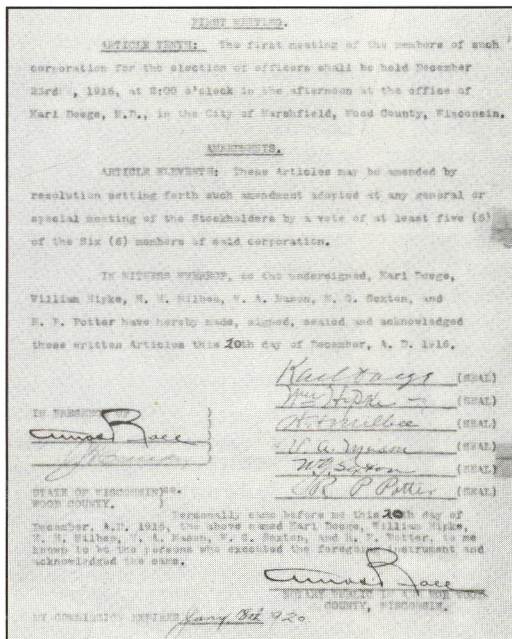


THE MEMBERS WORRIED through the Christmas week and convened at 2:30 p.m. on December 30.

This time K.W. Doege was pleased that he was able to present the Articles of Incorporation, duly certified and registered at the County Courthouse. Parties to the impending action, K.W. Doege, Victor Mason, H.H. Milbee, Walter Sexton, William Hipke and Roy Potter, first signed consent to hold the meeting. Again, Doege was elected chairman and Mason secretary. William Hipke read the Articles of Incorporation aloud in their entirety to the founders. They were "unanimously accepted and filed." The Charter of Incorporation of Marshfield Clinic issued by J.S. Donald, Secretary of State, and signed by L.B. Naylor, Assistant Secretary of State, was presented for acceptance. Again the motion to accept was unanimous. Stock subscription contracts, agreements subscribing to the purchase of one share of stock, were endorsed by all. The actual certificates would be issued at the next stockholders meeting when the doctors would have to pay the \$1,000 price. Dr. Sexton read the bylaws aloud in their entirety. They were adopted. He presented the form of the stock certificate on the back of which the agreement was typed. It and the seal of the new organization were accepted. The six physicians were then elected Directors of the Corporation. The meeting was adjourned to January 22, 1917. The entire meeting took 30 minutes.

Immediately after the stockholders meeting, a meeting of the board of directors was called to elect officers. K.W. Doege was elected president; H.H. Milbee, vice president; Victor Mason, secretary; and William Hipke, treasurer. **Thus, Marshfield Clinic was born on December 30, 1916.** The board meeting was adjourned.

During the months of November and December, public reaction to the organization of the doctors into a group practice was confusing and mixed. People were concerned that they would lose their doctor or that he was changing his practice, that care would become impersonal, that prices would go up. Many didn't like it. Elsewhere, doctors in outlying communities were apprehensive. The two Colby doctors, in defense, immediately formed a clinic of their own calling it the Colby Clinic. As a result, Marshfield Clinic caused to be printed in each of the three local newspapers – The Times, The News and The



Herald – a lengthy article describing the Clinic and its purpose: "... Perhaps it would not be amiss to begin by stating that the purpose of the organization is not to form a so-called trust and charge bigger fees, nor to prevent the public from choosing the physician which they wish to employ. Nothing is further from our minds. Each patient can choose the physician he desires no matter what his ailment. Let that be understood from the first and finally. The real aim of the organization is to give better and more efficient service to the public and to do it in a more scientific way, in order to be able to compete with the medical centers of the larger cities. Each member of the firm, besides his usual work, will do reading and study in a special field. He will thus gain more expert knowledge by reason of such study and will, through this extra knowledge, assist and help his colleagues in diagnosing especially difficult cases. In course of time we will all be better doctors and will give better service. We will be more efficient. That is all there is to it."

"The planning and arranging of the offices has been done with a view to aid and assist in the most difficult part of our work – that is, arriving at a correct diagnosis. To this end no expense or labor has been spared and we believe we now possess as complete an equipment and organization as can be found in the state..." Apparently the media did not consider this very important news. None of them chose to place this article about the founding on the front page.

On January 1, the renovation was not quite complete. Indeed, the latest model in radiators had just arrived and was now in the process of being installed. Nevertheless, New Year's Day was moving day for the Clinic doctors. Throughout the day and late into the evening they were busy moving their personal belongings from their old offices into their new offices in the first Marshfield Clinic facility. They were all present for business on the morning of January 2, 1917, and for seven

days each week thereafter.

The six visionary founders of Marshfield Clinic established not only a facility but a medical tradition in Marshfield which brought it to enviable stature: not to charge bigger fees; preserve the right of the patient to choose which doctor they wished to employ; deliver services more scientifically; read and study in a special field besides doing the usual work; gain more knowledge and become more expert; work together; help each other in the diagnosis of disease; be better doctors.

Time itself can never erode the cooperative humanitarian principles upon which Marshfield Clinic was established. They are as valid for our purposes today as they were in 1916. It is through lack of charity and commitment and through the absence of understanding and appreciation that this legacy can be worn away, even destroyed.

Fifty years ago, the employees of Marshfield Clinic rededicated themselves to the tenets upon which this organization was founded. The Clinic prospered and grew to greater stature.

On the occasion of this 75th anniversary, it is appropriate that we again gratefully ponder our heritage and dedicate ourselves anew to those ideals which the authors so clearly and courageously enunciated.

~G. Stanley Custer, M.D.

CENTRAL MEDICAL OFFICE TO OPEN SOON

The Marshfield Clinic has elected the following officers:

- President - Karl Doege.
- Vice-President - H.H. Milbee.
- Secretary - V.A. Mason.
- Treasurer - W.H. Hipke.
- Directors - W.G. Sexton, R.P. Potter.

A. Morgan Chase has been engaged as the business manager.

The offices of the association will be on the second floor of the Thiel building. The quarters were remodeled to meet the requirements of the enterprise, and the furnishings are of the best and the equipment of the most modern of its kind. The rooms are expected to be ready for occupancy January 1.

In an interview a member of the association said: "Perhaps it would not be amiss to begin by stating that the purpose of the organization is not to form a so-called trust and charge bigger fees, nor to prevent the public from choosing the physician they wish to employ. Nothing is further from our minds. Each patient can choose the physician he desires no matter what his ailment. Let that be understood from the first and finally. The real aim of the organization is to give better and more efficient service to the public and to do it in a more scientific way, in order to be able to compete with the medical centers of the larger cities. Each member of the firm, besides his usual work, will do reading and study in a special field. He will thus gain more expert knowledge by reason of such study and will, through this extra knowledge, assist and help his colleagues in diagnosing especially difficult cases. In course of time we will all be better doctors and will give better services. We will be more efficient. That is all there is to it."

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