

# Industrial Relations and Social Security

## HEALTH AND HEALTH INSURANCE

By L. RICHTER

FOR the student of social institutions, it is surprising to note how long it has taken in Canada and the United States until public opinion became aware of the need of providing more efficient health protection for low income groups.

Up to 1929 it might have been argued that self help and the charity generously exercised by the medical profession would take care of the problem, though the validity of the argument has always been rather doubtful. But even when during the depression self help could no longer be advocated and hundreds of millions were spent for the relief of unemployed, health was neglected and measures were restricted to providing *economic* welfare. None of the various unemployment relief acts of the Dominion allowed the use of Federal funds for health services to the unemployed, though even under the old English Poor Law, medical care was listed amongst the essentials of life to be provided by the overseers of the poor. In the United States in turn unemployment insurance was given priority over health insurance when in 1935, for the first time, principles of insurance were applied for remedying social ills. England and Germany had in their legislation gone the opposite way, as they regarded health insurance the more urgent task which at the same time offered less difficulties from the financial and administrative point of view.

But by now the urgency of adequate health protection for those who cannot afford it from their own incomes, is recognized in both North American countries. Public opinion demands action. Politicians have raised the issue in Parliament and voluminous literature on the subject has suddenly sprung up. Medical men and economists have made fine contributions to it. We may divide these publications, several of which are to be reviewed here, in two groups:

those dealing with the present state of the health of the people and the health services available to them, and those telling us how the present situation should be improved, either by reporting about successful methods applied in other countries or advocating plans which should be introduced here.

It is obvious that any reform which might be contemplated should be preceded by a thorough examination of the conditions which are to be remedied. It would be a grave mistake to expect that a scheme that has worked well in England would do equally good service in Canada. While there exist certain general principles which are of universal value, they need to be carefully adapted to the environment to which they are to be applied. The first task, therefore, is to explore that environment. For that purpose a number of scientific surveys, both national and regional, have been undertaken. In the United States, the government, as well as scientific bodies, have attacked the problem. The Committee on the Cost of Medical Care, starting its work about ten years ago, has enlisted the co-operation of prominent physicians and economists for a number of detailed investigations, the results of which have been published in some thirty reports. More recently a group of investigators appointed by President Roosevelt has stirred the public by its findings. It has painted a gruesome picture of human suffering caused by an utterly inadequate distribution of health services. Some of the more important facts brought to light by the President's Committee have been reported in one of the previous issues of PUBLIC AFFAIRS.<sup>1</sup>

For Canada the National Committee for Mental Hygiene has undertaken a similar task though on a more modest scale and probably at an infinitely smaller cost. Its *Study of the Distribution of Medical Care and Public Health Services*

(1) Vol.III, No. 2, p. 88.

*n Canada*<sup>2</sup> is the first publication of its type in the Dominion. It contains most valuable information and certainly deserves greater attention than it has so far received. The study gives far more than the title indicates. It deals in a general way with the health of the Canadian people and the available means of preserving it. We learn a great deal about morbidity (frequency and type of diseases) and mortality, about distribution of medical personnel and the cost of medical services, about the family income and its adequacy to meet these costs. Some of the most relevant facts revealed by the study have been summed up and are published later on in this section. The presentation is perhaps a little too factual. The study often reads like a report of a government department and, like it in character, is cautious in criticism and recommendations. It is, unlike the Report of the President's Committee, not based on investigations undertaken by or on behalf of the Committee, but brings together published and unpublished material from many sources. But this does not impair the great value that a volume of that sort should have for the Canadian public as a source book of information which, as it is stated in the *Foreword*, may be supplemented by the results of further investigations.

Such investigations will, for the time being, have to be of a regional character, for what is needed are not general statements or expressions of opinion, but an exact knowledge of conditions in representative areas from which conclusions can be drawn for policies to be adopted. Two surveys of this type have been recently undertaken, both devoted to the study of morbidity and health services in small areas, and both made possible through the generosity of the Rockefeller Foundation. The first of them, sponsored by the Essex County Medical Society, is concerned with relief recipients in an industrial district of Ontario; the second, undertaken by the Institute of Public Affairs, with a group of fifteen hundred miners and their families in Cape Breton enjoying a system of collective health

services, and with the whole population of the Town of Yarmouth. While the Dalhousie survey has not yet been brought to an end, an instructive report has recently been published on the investigation in Essex County. There, as in other parts of Ontario, unemployed persons on relief are provided with medical services and medicine paid for by the provincial government. The local medical association took advantage of this situation by registering in the course of a year all cases of illness in which medical help was sought and all the services rendered to relief recipients. As might be expected, the survey revealed that health conditions among the unemployed are more unfavorable than among the working population. The average incidence of illness is higher among females than among males: in the age group 20 to 29 women are twice as often ill as men. Among the diseases, those of the respiratory system—colds—are the most frequent. They amount to an annual rate of 421 per thousand relief population. Then follow digestive disturbances and disorders of the circulatory system. Each illness required an average of 1.7 calls, 71 per cent of which were office calls, 27 per cent home calls and 2 per cent night calls. Based on the regular tariff of the Ontario Medical Association which is not very different from the Nova Scotia tariff, the average annual cost per person on relief was \$7.11, or, roughly, 60 cents per person per month.

While such regional or group studies are still very scarce in Canada—the Department of Pensions and National Health has done pioneer work with its fine reports on morbidity in the Canadian Civil Service—numerous surveys of that type have been undertaken in the United States. Some of the best were carried out by the Committee on the Cost of Medical Care and the United States Public Health Service. A more recent publication gives under the somewhat misleading title *Economic Aspects of Medical Service*.<sup>3</sup> a detailed description of conditions in California. It is a fact finding study containing the results of a survey which

(2) The National Committee for Mental Hygiene. Toronto, 1939.

(3) By Paul A. Dodd and E. F. Penrose Graphic Arts Press. Washington, D.C. 1939. Price, \$3.75.

covered about 65,000 people in 26 representative areas of California, employing 682 field workers and costing approximately \$93,000. It was one of the many useful W.P.A. projects which enlist the services of unemployed paid for by Federal relief funds for the investigation of important social and economic problems. It was the main purpose of this survey to find out what the cost of medical and dental services have been to the people of California and whether or not such services have been adequate. The answer which is embodied in a volume of five hundred pages is rather distressing. Over four out of every ten persons needing medical care did not have access to it. Among families with incomes under \$1,000 only half received attention; but in the income group from \$3,000 to \$5,000, four out of five. The average charge for medical care was \$79.25 per average family, or \$24.33 per person; but one-fourth of all families were treated without charge. That doctors did not ask too much from their patients can also be seen from the fact that only half of the general practitioners in the state had in 1929 an income of more than \$2,000.

As a remedy to the situation described above, the California Report recommends the introduction of health insurance. This issue is hotly debated at present throughout the whole of the United States. Insurance is opposed by the organization of the medical profession, though there are large dissenting groups, especially among the younger men. Social workers and economists are advocating the system, pointing to the beneficial results achieved in so many other countries. In this situation health insurance systems in Europe are carefully studied by American scientists with a view to making use of European experience. Attention is naturally focussed on those problems which have caused so much friction at home, especially the relationship between physicians and insurance boards. (The Health Insurance Act of British Columbia foundered on this rock). Mrs. Barbara N. Armstrong well known through previous publications on social

insurance was therefore quite justified in devoting a whole book to a discussion of these crucial relations. It is called: *The Health Insurance Doctor*, with the subtitle, *The State, The Doctor and the Patient in Three Democracies*.<sup>4</sup> She shows in a very convincing way how in Great Britain, Denmark and France the needs of the people for adequate medical services have been met by a system of compulsory health insurance without destroying the bond of confidence between doctor and patient, without making the doctor a government agent, and without damaging medical science and medical ethics. Mrs. Armstrong is, on the other hand, very emphatic in stressing the beneficial results which have been obtained for all parties concerned. She describes and analyses in an objective way the system prevailing in the three countries. She discusses their merits, does not conceal their weaknesses and lets the reader form his own conclusions.

Among the prominent medical men in U. S. A. who have the courage to stand up for collective health services is Dr. David Riesman, a celebrated Philadelphia physician and past President of the American Society of Medical History. In his book *Medicine in Modern Society*<sup>5</sup> he takes great pains to refute the accusations which have been levelled by the medical organizations of the United States against collective systems of health services and he points out that in the long run such a system will be in the best interests of doctors as well as patients. It may, however, not be assumed from this quotation that Dr. Riesman's book should be classified in a bibliography of health insurance. It is of a much wider scope: it describes the part, steadily increasing in importance, which medicine plays in modern life, dealing with the problem from the point of view of medical science as well as under the philosophical, social and economic aspects. The book is based on an experience of a long and rich life and is full of wisdom, understanding and humanity.

(4) Princeton University Press, Princeton, 1939. Price \$2.50.

(5) Princeton University Press Princeton, 1939. Price \$2.50.