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CHAPTER V

FIXED PAYMENT MEDICAL SERVICE IN THE COAL MINING INDUSTRY OF THE ROCKY MOUNTAIN STATES

THE United States Coal Commission defines the separate coal fields of the Mountain States as shown below. The number of mines operating and the total production for 1929 in the different fields are also given.

State	General Name of Field	Number of Operating Mines, 1929	Total Pro- duction (Net Tons) 1929
Colorado	Colorado Domestic	143	4,243,000
	Trinidad	31	2,544,000
	Northern Colorado	40	3,134,000
Montana	Montana	76	3,408,000
New Mexico	Gallup	15	1,100,000
	Cerrillos & Carthage	10	213,000
	Raton	13	1,285,000
	Monero	4	25,000
Utah	Utah	42	5,161,000
Wyoming	Wyoming	54	6,705,000
Total		428	27,818,000

The Census of 1930 reported the numbers of persons employed in coal mining in the various Rocky Mountain states as follows:

Colorado	11,612
Montana	2,428
New Mexico	3,383
Utah	3,283
Wyoming	5,062
Total	25,768

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The Rocky Mountain coal mining industry is characterized by a relatively large proportion of companies producing less than 50,000 tons per annum. Out of 504 companies that together produced 29.7 million tons of coal in 1929,¹ 408 produced less than 50,000 tons apiece. The total production of these 408 companies in 1929 represented only 6.9 per cent of the total. With few exceptions, these companies operated but one mine. The average number of days worked by them is smaller than the average of the larger companies, indicating a relatively intermittent rate of operations.²

In all but the smaller companies it is customary for the employee to receive medical and hospital service in return for a regular payroll deduction, or under the same sort of arrangement as has already been described in the preceding chapter for the metal mining region of the Rocky Mountain states.

WYOMING COAL INDUSTRY

In the Wyoming coal field, the system of providing medical care is unique, in that it is jointly operated by employers and employees, as an element in the annual wage agreement. The following information is taken from the agreement covering the southern field, dated October 11, 1928. Mr. James Morgan, Secretary-Treasurer of District No. 22, United Mine Workers of America, states that a similar arrangement exists in the northern coal field, and that approximately 5,000 employees and members of their families participate in this system.

The agreement provides that a Hospital Commission shall be formed at each camp, with full power to transact the affairs of

¹ *Coal in 1929*. U. S. Department of Commerce, Washington, 1931. The total given above includes small outlying fields of Arizona, Nevada, California, North and South Dakota.

² Among the coal mining companies in the states mentioned that produced over 200,000 tons in 1929 are the following: Colorado Fuel & Iron Co.; American Smelting & Refining Co.; Moffat Coal Co.; National Fuel Co.; Rocky Mountain Fuel Co.; Victor-American Fuel Co.; Colorado & Utah Coal Co.; Utah Fuel Co.; Boulder Valley Coal Co.; Calumet Fuel Co.; Northwestern Improvement Co. (Montana); Phelps-Dodge Corporation (New Mexico); U. S. Smelting, Refining and Mining Co. Most of these concerns have supplied information about the system of employee medical service.

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the Hospital Association; it also has power to employ and remove surgeons or other employees of the Association. A majority vote of the Commission controls in all matters coming before it. This Commission consists of three members, one representing the Company and employees not members of the U. M. W. of A., and two elected by the Local Union in such manner as suits their convenience and approval.

The companies agree to make the necessary per capita deductions from wages as agreed upon by the Hospital Commission, and turn the money over. When questions relative to the expenditure of funds contributed by the employer are involved, the employer and the representatives of the employees constituting the local Hospital Commission have equal voice subject to appeal by either party to the joint committee in the manner provided for in the handling of grievances. In all other matters the majority vote of the local Hospital Commission governs.

In the event of dissatisfaction arising over the service rendered by any surgeon, the aggrieved party must make his complaint in writing and give it to the Hospital Commission, and the defendant must be furnished a copy. If in the judgment of the Commission, the charges warrant such action, after both plaintiff and defendant have been heard, a meeting of those who pay into the hospital fund is called to act on the matter. Should this meeting decide that the charges against any surgeon are of such a character as to justify further action, an election is held, and if a majority of those who pay into the hospital fund decide to discharge the surgeon, he must be discharged. Should any member of the Commission be unable to attend a meeting he must have a representative present. Each Commission must designate a regular date of meeting. The treasurer of each local Commission is bonded in amount agreed upon by the president of District 22, and the president of the operators. No local hospital fund is permitted to accumulate more than \$5,000, unless mutually agreed to between the president of the operators and the president of District 22, U. M. W. of A. Surgeons are required to make reports to the company and to the Hospital Commission.

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When the doctor regularly representing the Hospital Commission, together with two other accredited doctors, one of whom shall be selected by the local union and one by the employer, decide that the services of a specialist is necessary to the welfare of any employee injured in the course of his employment, the employer agrees to pay the cost of such special treatment, up to \$150 in any one case; such payment is made by the employer to the local hospital fund. The services of two doctors called in consultation are paid for from the funds of the local Commission.

OPERATORS' CONTRIBUTIONS

The operators pay into the local Hospital Commission, organized in their camps, one-half cent per ton on each month's production of coal. This payment is made monthly, and is in lieu of any payment for hospital charges in mine injury cases from the compensation fund.

Certain interpretations of the agreement as it stands have been agreed upon between the union and the operators. These are: (1) the Hospital Commission can enter into contract with the doctor; (2) the contract with the doctor shall not be for a longer period than the general agreement, nor extend beyond the time of expiration of the general agreement; (3) when any new doctor is employed as per agreement, he does not become an employee of the Hospital Association until a contract is agreed to between the doctor and the Commission; (4) when any doctor's contract expires, he automatically ceases to be an employee of the Association until a new contract is agreed to by the Commission; (5) a majority vote of the Commission is required to make or renew contracts with doctors.

Mr. Morgan explains in his letter that while in general all local Hospital Associations must follow the agreement, there are certain local differences among the various camps. Most locals, he says, collect both a doctor and a hospital fee; where the latter is collected it covers hospital care for all sickness or injury of the employee, whether incurred on or off duty. Many locals

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also provide hospital care for dependents, though a few do not. Two of the largest locals collect \$3 and \$3.45 per month and provide full medical, surgical and hospital care (including operations) for the men and their families.

Ownership and control of hospitals also vary. At Hanna, Gebo, and Superior, hospitals were built by the companies, and are used by the Hospital Associations. At Hanna and Gebo all cases of sickness and injury are cared for at these company hospitals, by the terms of the contracts with the doctors. At Superior, the hospital is for emergencies, where patients are cared for until they can be moved to the State Hospital at Rock Springs. With this State Hospital, all the local Hospital Commissions in Sweetwater County (the largest coal-producing county in Wyoming) make arrangements to care for their members.

At Kemmerer, in the Lincoln County coal field, a large hospital has been built by the miners and citizens of Kemmerer. By arrangement, all the local Hospital Associations send their hospital cases to this institution. The company provides at each mine an emergency room or small local hospital for temporary care.

Mr. Morgan summarizes the system as it operates, briefly as follows: "Under contract and payment of certain fixed sums monthly, all members of our organization and their families receive medical attention and medicines. All men injured in mines receive hospitalization through the same arrangements, and in most cases also for sickness. Many mining towns also arrange hospital care for members' families, and in two of the largest, arrangements cover not only hospital care and medical attention for men and families, but also cover operations necessary of any kind for all. Where coal companies have built hospitals, they are turned over to local Hospital Associations and run by them. In some instances companies charge nominal rentals for building, lights, etc. In others they furnish the above items to the Commission. In every case monthly fees are charged as agreed on locally, and these are deducted by the company

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and turned over to the local Commissions or direct to the doctor, depending on the contract in effect at each camp."

EMPLOYEE MEDICAL SERVICE IN THE COLORADO COAL INDUSTRY

The Colorado Fuel and Iron Company operates coal and iron mines in various counties of Colorado, and steel works at Pueblo. In 1929 the total production of coal by this company in Colorado amounted to 2,425,736 tons, or one-fourth of the production of the state. A letter from Dr. William Senger, Chief Surgeon of the company, dated March 24, 1931, and published articles, have supplied information as to the medical service program of the Colorado Fuel and Iron Company.

Full-time physicians are in attendance at all coal and iron mines. Hospitalization is carried on entirely through hospitals and dispensaries owned by the company. No person is employed until after he has passed a physical examination and has had his record card properly filled out and signed.

The physical examination is made by the company physician at a charge of \$1 per applicant, if accepted for employment. This money is paid directly to the clerk at the time the application is made, or if preferred, may be collected by payroll deduction. All such fees are credited to the hospital fund. At Denver, where no company physician is employed, the regular charge is \$2 per applicant.

Any one who leaves the employ of the company and is dropped from the payroll is no longer entitled to the hospital service. Should any individual seek reemployment, he is required to pass a physical examination as a new employee.

The medical department is maintained and its activities are directed to protect employees from sickness and disease and to cure them when preventive measures fail, as well as to relieve them and to assist their recovery in case of injury. The expenses of the medical department are paid from a fund made up of contributions by the company, dues (payroll deductions) of employees, and hospital fees from patients other than employees.

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The company charges no rent or interest on the medical department properties which it owns, and pays the cost of treatment of cases which come under the workmen's compensation act, to the extent required by that act.

Each employee who works or lives in a community where the medical department maintains a local physician, is charged for medical dues as follows: \$1.50 per month at the steel works and at the mines and quarries, deducted from the earnings each month, and entitling the employee to medical and surgical treatment and to hospital care and service in case of sickness or injury. Employees who work at places where the medical department does not maintain a local physician are not charged the medical department dues unless they choose to pay the dues for hospital privilege only (\$1 per month), in which case they must pay their own expenses to and from the hospital.

At Pueblo, where the Corwin Hospital, owned by the company, is located, employees are entitled to the necessary medical or surgical treatment by the local company physicians and surgeons, either at the hospital, the dispensary, or at their homes, provided they live within the city of Pueblo or within two miles of the hospital or dispensary.

At the mines and quarries, employees and their dependents are entitled to medical and surgical treatment by the local company physicians at the physician's office, or at their homes if they live within two miles of either the physician's office or the mine office; and at the physician's office only, if they live beyond the two-mile limit.

Employees only are entitled to hospital service in case of sickness or injury; their expenses to and from the hospital are paid by the medical department. Dependents of employees are charged at the rate of \$2.50 a day for a bed in a semi-private room, or \$3.50 for a private room. Medical and surgical service are furnished to dependents at reduced rates.

All cases of injury which come under the workmen's compensation act are treated as required by the act.

Employees are not entitled to treatment under their medical

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department dues, either by the local physician or at the hospital, in cases of disability which existed at or before the time they were employed; in dental cases; in cases of insanity, venereal or chronic diseases; in cases resulting from the use of intoxicants, stimulants or narcotics, or from vicious habits, fights, brawls or violations of laws or ordinances. Company physicians may charge reasonable fees for the treatment of such cases.

For normal cases of childbirth, a fee of \$35 may be charged by the company physician; no higher fee may be charged in any case without the approval of the chief surgeon and the manager of the department in which the employee is working. In case of a child born to an employee at the hospital, the fees collected go to the hospital fund.

Cases of insanity are referred to the county and state authorities for care and treatment.

Hospital treatment does not extend beyond the time in which benefit may reasonably be expected from hospital treatment, and in no case beyond the period when benefit may reasonably be expected from medical or surgical treatment.

Company employees and their dependents who come to the hospital for strictly dental troubles are charged for treatment; X-ray dental films for strictly dental troubles are charged for at regular rates. The dental department at the hospital was primarily established for the necessary treatment of patients already in the hospital, and not for general dental work among employees.

OTHER COAL MINING COMPANY PLANS

Four other Colorado coal companies have supplied information as to their medical service plans. These four companies provided in 1929 a total of 1,827,133 tons.

All of these concerns have company doctors who take care of all injuries and sickness among the employees and their families. Three of them employ the physicians on a salary basis, and the employees contributed to the cost of the service through a payroll deduction; the fourth company has a contract with the physician;

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the collections from the payroll are turned over to the physician by the company, and constitute payment for service for any illness not connected with employment. None of the four companies owns a hospital. Three have contracts with independent hospitals for care of employees injured during employment; these arrangements do not include cases of non-compensable disability, nor are dependents of employees supplied with hospital care. The fourth company contributes, with other industrial concerns in the vicinity, to the support of an independent local hospital; none of the amount deducted from the employee's wages goes to the hospital, and employees needing hospital care for non-industrial illness make their own arrangements.

Many of the coal mining companies operating in Colorado are small enterprises, employing less than twenty persons apiece. Mr. James Dalrymple, Chief Inspector of Coal Mines of Colorado, informs us that "many of the small coal companies employing from one to ten men, and located in the outlying districts of the state, have no arrangements that I know of to take care of their employees."

Further information as to the practice in the coal fields of the northern part of Colorado is contained in a letter from an official of the United Mine Workers of America, who writes that the general practice in this field, is for the miners to pay \$1.50 per month to the coal company physician, who takes care of them and their dependents, including the dispensing of a limited amount of medicine. Single men pay \$1.00 per month for the same service. On the whole, says this official, the system is fairly satisfactory, yet capable of improvement "by the simple working out of a method whereby the men could have the choice of doctors, instead of being compelled to have the company doctor and no other." Regarding hospitalization, there is no plan of any kind for this service, either with the coal companies or through the local union of the United Mine Workers of America.

The criticism voiced in the foregoing letter was formally made in 1917 in a list of grievances presented to the Industrial Commission of Colorado by District No. 15, United Mine Work-

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ers of America, against the Colorado Fuel and Iron Company.⁸ The fifteenth item on the list reads: "Choice of doctors should be absolutely at the discretion of the men without any interference from any one or any source, which is not now the case."

The Commission's award was to the effect that physicians in the coal company camps were selected by the company, which maintained a system of emergency hospitals with a general hospital at Pueblo. The plan of selection was approved by the employees by the adoption of the company's "Industrial Plan." Medical and hospital service were furnished at \$1 per month for each employee and his family. The testimony, according to the award, did not present a serious complaint, the whole subject being covered by the statement of one of the signers of the nineteen grievances who testified, "one doctor cannot suit everybody," and by another witness who stated, "some like him and some don't, would be the same with any other doctor." Any other system, the Commission stated, would present all the disadvantages and lack many of the advantages of the existing one. No complaint had been made that the medical plan of the company did not fully comply with all of the requirements of the workmen's compensation act.

UTAH COAL MINING INDUSTRY

The Utah Fuel Company maintains physicians at all its coal mining camps, who give home and emergency hospital care to all employees; emergency hospitals are maintained at all camps. Hospital care other than emergency is arranged for by the company through contracts with independently owned hospitals. To the cost of this service the employees contribute \$1.50 per month by payroll deduction. An employee desiring his family to receive benefit of the medical plan contributes an additional \$1 per month for medical care in the home; hospitalization for families is not included.

⁸ Industrial Commission of Colorado, *Findings and Awards; the United Mine Workers of America, District No. 15, Employees of the Colorado Fuel & Iron Company, vs. the Colorado Fuel & Iron Company, October 20, 1917.*

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General information indicating the prevalence of contract medical service in the mining and transportation industries of Utah is contained in a letter from the secretary of the medical society in one of the most important industrial counties of Utah. The letter states that the larger metal and coal mines and railroads all engage physicians to care for sickness among their employees. Some of these physicians are also expected to take care of the whole family, excepting for maternity cases, venereal disease and certain major operations. The monthly contributions vary from \$1 to \$2.50 per family. Usually, however, medical care for the family is practiced only in isolated mining communities. Many of the mines have large medical corps consisting of physicians living at the mines, and city physicians to take care of hospital cases. Hospitalization is guaranteed the employee, but not his family. One instance is mentioned of a medical corporation (for profit), organized to provide service to the employees of a group of small coal mining companies. It is operated by a layman, who employs physicians, furnishes medicines and provides hospital care.

A concern called the Welfare Medical Association, replying to our inquiry, states that it serves the employees of seven coal companies and their immediate dependent families, in industrial and non-industrial accidents and sickness. Employees are furnished all medical and surgical treatment, hospital care, transportation, etc., in connection with industrial injuries or non-industrial injuries or sickness, arising out of or during employment. (Chronic diseases, tuberculosis, dentistry, not included.) Dependent members of employees' families, while residing in the various mining camps, are furnished medical services and medicines. Charges are made for surgical services to dependents; in general, these charges approximate the medical fee schedule published by the Industrial Commission of Utah. The cost of care for industrial accident cases is paid by the employing company. The cost of the non-industrial service exceeds the income from payroll deductions of \$1.50 per man per month; this deficit is annually taken up by the seven coal companies on

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the basis of service rendered their respective employees. The Association maintains three hospitals, employs three doctors and several nurses, operates an X-ray machine, and maintains an ambulance, a mine rescue truck and mine rescue station, with instructors in first-aid.

At the coal properties of the United States Smelting, Refining & Mining Company in Utah, each employee pays \$1.50 per month for medical and hospital service for himself and his family, for illness and non-industrial injury. The coal properties are somewhat remote from other communities, which makes it necessary to retain doctors continuously at the mines. These doctors are paid straight salaries, plus certain allowances for medicines, etc. There is a hospital of five-bed capacity, in charge of a graduate nurse, located at the most central point. The chief surgeon, connected with a firm of other specialized doctors and surgeons in Salt Lake City, is also paid a straight salary. He has charge of the doctors and nurse at the mines, and treats major cases, when necessary, in Salt Lake City.

MONTANA COAL MINING INDUSTRY

Specific information as to contract medical service in the bituminous coal mining industry of Montana was received from only one concern. That company operates coal mines where, according to a letter received from the company, 240 men were employed in March, 1931. At this place all employees secure medical, surgical and hospital care in return for a fixed regular deduction of \$2 per month from wages. Ordinary medical service is included for dependent members of miners' families. Hospital care in case of non-industrial injury or ordinary sickness is provided employees in a local hospital with which the coal mining company has a contract. Dependents of employees requiring hospital care are received in the hospital as ordinary paying patients.