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CHAPTER VII

FIXED PAYMENT MEDICAL SERVICE IN THE COAL MINING INDUSTRY OF THE APPALACHIAN STATES

THE states of Pennsylvania, Maryland, Ohio, West Virginia, Virginia, Kentucky, Tennessee and Alabama comprise within their boundaries the most important coal mining region in the United States. The anthracite mining industry of the country is found almost entirely within the northeastern counties of Pennsylvania. In this industry, however, no deduction from miners' wages to cover medical or hospital service is made. The anthracite industry may therefore be eliminated from further consideration.¹

Seventy per cent of all the bituminous coal produced in the United States in 1929 came from the Appalachian region. The average total number of persons employed in the eight Appalachian bituminous coal mining states in 1929 was approximately 368,933.² The numbers reported for the various states were as follows:

<i>State</i>	<i>Number Employed</i>
Alabama	25,208
Kentucky	58,649
Maryland	3,289
Ohio	25,399
Pennsylvania	131,774
Tennessee	7,619
Virginia	12,053
West Virginia	104,942
Total	368,933

¹ In 1929 approximately 151,501 persons were employed in anthracite coal mining in Pennsylvania. (*Coal in 1929*. United States Department of Commerce, Washington, D. C., 1931.)

² *Coal in 1929*. United States Department of Commerce, Washington, D. C., 1931.

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The large majority of these coal mining employees, together with dependent members of their families, are entitled to medical service from a company doctor, in return for a fixed periodic payment, deducted from wages by the employer.³

The United States Coal Commission defines 49 fairly distinct fields within this region. Inasmuch as the system by which employees secure medical and hospital care is not uniform in the different fields, it may be well to identify them. The following figures give the total number of operating mines and total production from the various fields of the Appalachian region in 1929.⁴

U. S. Coal Commission Field No.	State	General Name of Field	1929	
			Number of mines	Production (net tons)
1	Pennsylvania	Pittsburgh	225	33,414,000
2	do	Connellsville	140	36,647,000
3	do	Westmoreland-Ligonier	79	11,600,000
4a, b	do	Freeport (thick and thin)	85	9,860,000
5	do	Butler-Mercer	64	1,760,000
6	do	Blossburg	12	178,000
7	do	Broad Top	39	1,218,000
8	do	Somerset	109	6,350,000
9a	do	Central Pennsylvania, western ..	65	2,959,000
9b	do	Central Pennsylvania, middle ..	126	9,632,000
9c	do	Central Pennsylvania, eastern ..	501	29,899,000
10	Maryland-West Virginia	Maryland-Potomac	103	4,371,000
11	West Virginia	Fairmont	136	23,739,000
12	Ohio-West Virginia	Panhandle-Pittsburgh #8	168	18,769,000
13	do	Pomeroy	26	687,000
14	West Virginia	Putnam County	3	444,000
15	Kentucky-W. Virginia	Kenova	17	3,111,000
16	do	Thacker	46	8,909,000
17	West Virginia	Tug River	54	8,441,000
18	Virginia-W. Virginia	Pocahontas	81	22,738,000
19	West Virginia	Winding Gulf	59	11,593,000
20	do	New River	101	13,602,000
21	do	Kanawha	110	17,331,000
22	do	Coal River	11	2,276,000

³ The reader is referred to the note by Mr. Hugh Frayne, voicing his objection in principle to the payroll deduction method of paying for medical care to industrial employees and their dependents. (See foot of page 3.)

⁴ *Coal in 1929*. United States Department of Commerce, Washington, D. C., 1931.

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U. S. Coal Commission Field No.	State	General Name of Field	1929	
			Number of mines	Production (net tons)
23	West Virginia	Logan	72	18,581,000
24a	do	Coal and Coke	7	860,000
24b	do	Preston County	29	1,638,000
24c	do	Taylor County, Junior, Phillippi, and Gauley	76	4,536,000
25	Virginia	Southwestern Virginia	62	8,302,000
26	do	Clinch Valley	17	2,462,000
27	do	Virginia "anthracite"	8	269,000
28	do	Richmond Basin
29	Ohio	Massillon-Palmyra-Lisbon	90	1,487,000
30	do	Coshocton-Goshen	145	2,096,000
31	do	Cambridge	45	2,310,000
32	do	Crooksville	54	528,000
33	do	Hocking	97	3,803,000
34	do	Jackson and Ironton	52	397,000
36	Kentucky	Northeast Kentucky	115	13,669,000
37	do	Hazard	73	7,424,000
38	do	Harlan	57	14,340,000
39	Kentucky-Tennessee	Southern Appalachian	102	6,821,000
40	do	Jellico	23	709,000
41	Kentucky	Western Kentucky	144	14,437,000
42	Tennessee	Rockwood-Soddy	35	2,121,000
43	do	Fentress	7	673,000
44	Alabama	Big Seam Group	50	6,031,000
45	Alabama-Georgia	Cahaba Group	85	5,325,000
46	Alabama	Pratt Group	68	6,632,000

The following summarizes the situation as to employee group medical service in the various states of the Appalachian region.

PENNSYLVANIA

One important coal producing section of the Central Pennsylvania bituminous field, namely, Clearfield County, reports the gradual disappearance of the system of group medical service because of the steady decline in coal production. In Clearfield County, production declined from 4,359,264 tons in 1927 to 3,344,170 tons in 1928; the number of operating mines declined from 163 to 122, and the average number of persons employed

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fell from 8,004 in 1927 to 6,535 in 1928. The secretary of the County Medical Society states: "It formerly was the practice among some of the soft coal companies to secure a physician at their mining towns and deduct an amount each payday from their employees. There never has been any similar arrangement to provide hospital care. Since we are in the heart of a bituminous coal mining district in which the industry has been demoralized for the past three years, I would say that this accounts for the elimination of the above type of service. As a result, many small towns have no mines working and no physician for miles. The clay industry, fire brick and refractories, seem never to have adopted the above type of contract practice. I presume this is because their plants are located to better advantage where medical and hospital care are more available."

With the exception of certain districts of the Connellsville and the Westmoreland-Ligonier fields, and the relatively unimportant Broadtop and Blossburg fields, it is the custom in the Pennsylvania bituminous field for the coal mining company to make a fixed regular deduction from the employee's wages to cover the expense of medical care to the employee and dependent members of his family. The service ordinarily includes such treatment as the company doctor can give in his office or in the patient's home. For special care, including obstetrical work, it is the custom for the company physician to charge a fixed amount.

Hospital service, however, except for industrial injury coming under the workmen's compensation law, is rarely included in the fixed payment payroll deduction plan in the Pennsylvania bituminous field. Speaking generally, the coal mining employee who requires hospital service arranges for it at the customary rates prevailing in his community.

TWO EXAMPLES OF HOSPITAL PLANS

Two instances of company plans that include hospital care as well as treatment by the company physician have been found in the Central Pennsylvania field. One of these companies owns and

operates a hospital. The other contracts with a nearby community hospital to provide service. The company providing service in its own hospital is the Berwind-White Coal Mining Company. In 1928 this company employed an average of approximately 3,000 persons in its mines in Somerset, Clearfield and Cambria Counties. The hospital (located at Windber, Pennsylvania) is an 80-bed, Class A institution. One dollar per month is deducted from the wages of each employee as his contribution toward the cost of service for himself and his dependents. The staff of the hospital is for the most part employed on a full-time basis, though there are a few consultants who are paid salaries for part-time service. The hospital is not open to other physicians and surgeons.

An official of the company states that a steadily increasing amount of service is being given to employees and members of their families by the hospital. In July, 1931, the contributions of the employees represented about 42 per cent of the total net operating cost of the hospital, the company paying the remainder of the cost. The official who supplied the above information states that the medical service provided by his company is justified by increased efficiency on the part of employees, but that obviously this is a question which each company must decide for itself. Conceivably there may be a point at which competitive conditions in a given coal field may deter a company from increasing medical and hospital service to employees over and above the quantity and quality of service approximately covered by the contribution of the employees.

The hospital also receives outside paying patients, and a considerable proportion of its service is to this class of patients.

The second company describes its plan as follows: "Our company employs a chief surgeon and five assistants. This corps of surgeons or physicians takes care of our accident compensation work, and also renders medical and surgical services to all of our employees and their families. For the latter work (not compensation) the employees contribute at the rate of \$1.75 per month in the case of a married man, and \$1.25 per month in the

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case of a single man. The medical and surgical service rendered includes the furnishing of necessary drugs and medicines.

"Hospitalization for all our employees, as well as their families, is provided at three different institutions. One of these takes care of the major portion of our employees under a contract between the hospital and our corporation; the consideration involved in that contract being a \$25,000 contribution made by the corporation to the hospital. Our employees, either married or single, pay 50 cents a month to the hospital, which entitles the employee and his family to hospitalization (ward service) without any additional cost, or if a patient paying this 50 cent rate and known as a subscription patient, wishes to pay for a private room, he is assigned such at a discount of \$5 per week.

"In a general way, it may be stated that our chief surgeon ranks among the foremost general surgeons of the State, is a member of the American College of Surgeons, and in addition to general surgery has specialized along various lines. His several assistants are able practitioners of good repute. The hospital which takes care of the greater number of our employees as above set forth, was within the last eighteen months enlarged from a 40- to a 120-bed institution and was adequately equipped at a cost of about a quarter of a million dollars. It is recognized by the American College of Surgeons as a Class 'A' institution."

This company employed approximately 1,400 men in 1928.

OHIO

In the southeastern section of Ohio (West Virginia-Ohio field), the payroll deduction apparently covers only company doctor service. An official of the United Mine Workers of America writes that most of the mines in Ohio are working on a non-union basis at the present time, and he understands that several of the coal companies have put into practice the same system of payroll deductions for medical service as prevails in West Virginia and other non-union states. This trade union official expresses the opinion that the monthly deduction from wages,

averaging \$24 per year, is in excess of what medical service would cost the miner if he arranged with the doctor himself.

Relatively few replies were received from Ohio coal mining companies in answer to an inquiry about employee group medical service. One of the few which includes hospital service in the payroll deduction, describes its plan as follows:

"We operate two companies in Eastern Ohio. Between the two companies we operate five mines and have four locations or villages at the five mines, part of our men living in these villages and the balance of them living in the neighborhood and driving to the mines.

"We have set up in each one of these four locations what we call a 'Medical, Hospital and Burial Fund Association' to handle all cases of illness of our employees and their families other than industrial accidents which are handled entirely by the state in accordance with the workmen's compensation law of Ohio.

"Each mine has a separate fund, with one exception, where two mines at the same point pay into the same fund. We check-off from the employees \$3 a month for a married man and \$1.50 a month for a single man. This money is deposited to the credit of the Association at that particular point and the affairs of the Association are administered by a standing committee composed of the Superintendent at that mine, the Safety Director of the company, who is a member of each one of the Associations, and four miners elected each year by the members of the Association.

"1. Each pay period (we pay twice a month) 45 per cent of the collection is turned over to the doctor who takes care of the employees and their families at that point.

"You will see from this that the doctors' incomes vary with the size of the mines. The local doctor also gets 90 per cent or more of the industrial work at these points which adds to his income, and, of course, he is at liberty to take care of the outside work he may have or get except that his first duty is to the Association.

"2. As stated above, this not only takes care of the employees but in the case of one paying as a married man, takes care of all

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members of his family of kin cousin or nearer, living with the employee and dependent on him.

"3. We do not have any hospitals of our own, but have arrangements with hospitals in the vicinity, Martins Ferry, Bellaire, Steubenville and Wheeling, so that our patients can be taken care of in these hospitals. We pay the regular hospital rates but get some consideration from the staff surgeons and doctors due to the fact that the pay is prompt and there is considerable of it. The bills for such work are sent to the association, the standing committees investigate them, find out whether the patients have been properly referred to the hospital by the local doctor, and if everything is in order, pay the bills.

"Many people have received exceptionally good care when it was needed through this system, which they would have been unable to get had we not had the system working, and the doctors, hospitals and men connected with the system seem to be satisfied with the way it is working."

WEST VIRGINIA

It is the almost universal custom in the coal mining industry of West Virginia for the employer to deduct a fixed amount from the employees' wages, as remuneration to the company doctor for medical treatment rendered by him to employees and dependent members of their families, for sickness and injury not coming under the workmen's compensation law. Something over 100,000 coal mining employees are covered in this way.

In the Panhandle and Fairmont coal fields (northern West Virginia), inquiry on the ground by the author shows that coal mining employees who require hospital service for non-industrial injuries or for ordinary sickness or disease, make their own arrangements with local community hospitals. In some instances, the coal mining company will, if specially requested to do so, make a periodic deduction from the employee's wages in order to discharge the bills of the hospital and the attending surgeons.

In the coal fields of southern West Virginia, according to

information received from coal operators' associations, owners of private hospitals, the West Virginia Medical Society, and individual coal companies, there are usually two deductions from the employee's wages, one for company doctor service, the other for hospital service.

A letter from the executive secretary of the Kanawha Coal Operators' Association, Charleston, West Virginia, dated March 5, 1931, states: "Practically all mines in southern West Virginia not located close to towns or large communities have arrangements with doctors to stay in the mining camps to give medical attention to the employees and their families and surrounding territory. These rates, agreed upon with the employees, run from 75 cents to \$1 for single men and \$1.50 to \$2 for married men. This includes all medical attention, and practically all medicine is furnished free of charge. In addition to the above, hospitalization is arranged with hospitals in Charleston, Montgomery, Beckley, Logan, Bluefield and other cities for which a charge is made from \$1 to \$1.35 per month which includes hospitalization, operations and care of the employees and their families for both occupational and non-occupational accidents and sickness of all kinds. It would be impossible for the isolated mining camp in southern West Virginia to secure the services of an efficient doctor unless arrangements of this kind were made, and by all employees paying into this fund to make it a small monthly fee for the services of the physician, who furnishes his own medicines."

A letter, dated March 10, 1931, from the New River Coal Operators' Association, Mount Hope, West Virginia, says: "It is the practice for the coal mining companies in this field to have a company physician who gives medical attention to miners and their families in return for a monthly deduction of \$1 to \$1.50. This is regardless of the size of the family or amount of medical attention necessary. In regard to hospitalization, the coal companies provide an arrangement for the men through the payment of \$1 or \$1.25, according to the hospital, whereby hospitalization is given to themselves and their families. Operations are per-

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formed where necessary without additional compensation by such hospitals. Service is thereby rendered not only from a medical standpoint, but hospitalization standpoint as well, which would entail many times the cost if rendered to individuals."

The hospital contract system, as it operates in the southern West Virginia field is discussed in the next chapter.

VIRGINIA

Practically all of the 10 $\frac{1}{4}$ million tons of coal produced in Virginia comes from Wise, Tazewell, Russell, Lee and Dickenson Counties in the southwestern corner of the state. Seven coal companies together produced 71 per cent of the total. The large majority of the other operators produce less than 100,000 tons apiece annually. The 1930 Census reported the number of persons employed in coal mining in Virginia as approximately 13,846.

A letter received from the Virginia Coal Operators' Association, March 6, 1931, states that "Every mining company of any consequence in the Virginia field employs a physician either on the basis of the amount of fees collected from employees, or on a salary basis. These physicians give ordinary medical care to miners and their families, but as a rule their employment does not encompass the treatment of serious injuries which come under the Virginia Compensation Act. There is no uniformity of fees collected, that feature depending largely upon the situation of the physician employed, accessibility to the plant and facilities afforded for properly taking care of the practice. The fees range from 50 cents to \$1 per single man, and from \$1 to \$1.50 per married man."

Hospitalization. Employees of three of the largest coal mining companies in the Virginia field are hospitalized in company-owned hospitals. These are as follows:

<i>County</i>	<i>City</i>	<i>Number of Beds</i>	<i>Owned by</i>
Wise	Toms Creek	20	Virginia Iron, Coal & Coke Co.
Wise	Stonega	20	Stonega Coal & Coke Co.
Russell	Dante	25	Clinchfield Coal & Coke Co.

Dr. C. B. Bowyer, physician in charge of the Stonega Hospital, informs us that all of the large companies put up the requisite bond with the Industrial Commission of Virginia, and thereby receive authorization to "self-insure" their liability under the Virginia compensation law. The total amount collected from employees through payroll deductions for medical service is applied on the operating cost of the company hospitals.

A general idea of how the service functions in a company operating its own hospital is given in the following extract from a letter from Dr. Bowyer describing the service provided under his direction by the Stonega Coal & Coke Company.

"1. Medical Care: The Stonega Coke & Coal Company maintains a medical staff of eight men under my supervision, one located at each colliery to look after the health and welfare of employees and their families living at the colliery. In return for this service the company collects \$1.80 for married men and 90 cents for single men, per month. These deductions pay approximately 70 per cent of the cost of maintaining the medical department.

"2. Hospitalization: The company owns and operates a small hospital for the care and treatment of employees only. The hospital is a 16-bed hospital with X-ray and laboratory equipment; with a staff of two doctors, three nurses, orderly, maids, etc. Under the compensation laws, of course, all injured parties are admitted to the hospital free of charge. The three rules of our hospital which govern the admittance of patients to the hospital and which were put into effect January 1, 1930, are as follows: First: All employees injured while on duty, but under no other circumstances, will be admitted to the Stonega Hospital and treated free of charge, provided that in the judgment of the attending physician the injury is of such a nature as to require hospital treatment. Second: Any employee or member of the family of an employee under the care of the medical department of the company at the time, will be admitted to the Stonega Hospital for an operation, provided he or she is willing to pay, in advance, a hospital fee of not less than \$5 and not more than

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§30. Third: Any employee or member of the family of an employee under the care of the medical department of the company at the time, if the circumstances are sufficiently critical as to warrant it, in the judgment of the physician in charge, and the conditions in the hospital are such as to permit it, will be admitted to the Stonega Hospital for medical treatment provided the case is neither contagious, malignant, nor tubercular, and also provided the patient will pay, in advance, a hospital fee of \$10 per week. No other charges will be made. (It will be noted from Dr. Bowyer's statement that no deduction is made from employees' wages for hospital insurance.)

"It is our plan to take care of all emergency surgery of any employee or member of his family under the medical department. We also take a limited number of medical cases which are covered by Rule No. 3. Having a limited number of beds, we limit the medical cases and in fact it is an exception rather than a rule to handle medical cases in the hospital. The fees mentioned above, giving payroll deductions, entitle the employee or his family to be admitted to the hospital under the rules and regulations noted above. Records show that there are about 3,000 employees of the Stonega Coke and Coal Company; about 90 per cent are married. We figure that each family will average three persons. I would say the number of employees are 3,000 and the dependents nearly 6,000."

PRACTICE IN SMALLER VIRGINIA COAL COMPANIES

As pointed out above, the large majority of the companies mining coal in the Virginia field produce less than 100,000 tons a year. These companies do not self-insure their compensation liability, but insure in carriers approved by the Industrial Commission. These insurance companies usually make contracts with independent hospitals in the Virginia coal field to provide necessary care arising out of injuries sustained by employees of their coal company policy-holders.

Employees of these "non-self-insuring" coal companies make

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their own private arrangements for hospital care in case they are disabled by non-industrial injury or disease.

The privately owned hospitals which serve the population of the Virginia coal field are as follows:

<i>County</i>	<i>City</i>	<i>Name of Hospital</i>	<i>Number of Beds</i>
Wise	Appalachia	Masonic Hospital	15
Wise	Norton	Norton Hospital	30
Tazewell	Richlands	Mattie Williams Hospital	30
Dickenson	Clintwood	Dickenson County Hospital	30
Dickenson	Clintwood	Sutherland Hospital	12
Lee	Pennington Gap	Lee General Hospital	?

KENTUCKY

As shown in the table at the beginning of this chapter, there are several fairly distinct coal fields in the state of Kentucky. The most important region is that in the eastern part of the state, with a production in 1929 of 35,433,000 tons, as against 14,437,000 tons for the western Kentucky field. In all of the coal fields of Kentucky, it is customary for the employer to deduct a fixed amount from the employee's wages to cover the cost of medical service provided by the company doctor. Hospital service is usually included in the eastern Kentucky field, but is only exceptionally provided in the western Kentucky field.

An official of District No. 23, United Mine Workers of America, Central City, Kentucky (western field), writes: "This is a non-union coal field. In most instances the coal company employs a doctor and checks from \$1 to \$2 per month per man to maintain the doctor. In obstetrical cases the miners are checked \$25 extra. In addition to these monthly charges whether the miner uses the doctor or not, the doctor visits the sick when called and writes prescriptions for the medicine and the miner buys the medicine. There are only two or three places where hospitalization is carried on by the company, and in these instances the miners are charged a monthly rate by the company to maintain the hospital."

Two of the largest companies operating in the eastern Ken-

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tucky field are the United States Coal and Coke Company (a subsidiary of the United States Steel Corporation), and the Consolidation Coal Company. Each of these owns and operates a Class A hospital; the former at Lynch, the latter at Jenkins. The periodic deduction from employees' wages entitles dependent members of employees' families to hospital as well as medical care.

CONSOLIDATION COAL COMPANY'S HEALTH PROGRAM

Although the Consolidation Coal Company is a large employer in Somerset County, Pennsylvania; in Garrett and Alleghany Counties, Maryland; in the Fairmont field of northern West Virginia; and in the Elkhorn and Miller's Creek fields of eastern Kentucky, it provides hospital service to employees only at its Kentucky mines. Because of the scope of this company's health program for employees, the following brief summary, as supplied by Dr. D. J. Kindel, Medical Director, is given.

Before the present program was instituted, the company employed physicians on a contract basis, each employee contributing a stated amount which was withheld from his wages and paid to a designated physician. Obstetrical surgery and venereal disease were charged extra; a wide variety of such fees existed. The physicians were chosen by mine superintendents, other officials, or the people themselves. One physician usually served several communities of the same company, and frequently those of other companies. He would necessarily "sublet" some of his work, which the company found had undesirable features. In 1927 there were approximately 35 physicians employed by the company on this basis, each independent of the others, without coordination or cooperation. No definite plan of work existed; methods and equipment were not standardized; and a great deal of the practice of medicine was on a pill-dispensing basis. Records were inadequate, and an organized health program was lacking. Nurses administered to the sick and injured in the homes, assisted with household duties, and filled in wherever they could.

Executives of the company, realizing the possibilities of an

organized medical department, made a survey of medical, hospital, nursing and sanitation problems of all company properties in 1926-1927, and the present program was started in 1927. The fundamental object of the company's medical program is to provide medical and nursing service to 10,000 employees and their families in four states—Kentucky, West Virginia, Pennsylvania and Maryland.

Scattered locations make it difficult to carry on the program. This has resulted in the establishment of areas or "medical units" based on locations and number of employees, each in charge of a physician and a public health nurse. Sometimes two physicians are required in one area. In October 1928, there were thirteen units, where employees received all usual medical attention, including minor surgery.

For medical service married employees contribute \$1.50 per month and single employees \$1 per month. A fee of \$20 is allowed the physician in obstetrical cases, also a small fee in venereal disease cases.

The staff and personnel consist of 18 full time physicians in charge of 13 medical units; one chief hospital surgeon with one assistant; one full time laboratory physician; six dentists; one supervisor of public health nurses; 11 full time public health nurses; 8 hospital nurses.

With the exception of the Elkhorn Division, Kentucky, hospital service is procured by employees in private or state institutions. No deduction is made outside the Elkhorn Division for hospitalization. Sometimes, when requested by an employee who has incurred expense for hospital care, the company will deduct a fixed amount each pay day and remit to the hospital.

The medical program comprises: *Care of injured and ill employees and their families*; (a) visits in homes; (b) consultations and treatment in a medical unit. One of the greatest problems, Dr. Kindel states, is to make patients come to the doctor's office; some feel that monthly dues entitle them to call a doctor to their homes for any cause. This is the only objection to the plan of monthly contributions. Long established precedent in the coal

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field is believed to be responsible for this, and the medical department is gradually overcoming it by an educational campaign. All community units are practically the same, with standardized equipment, instruments, drugs and supplies. An attempt is made to impress employees with the fact that they can be better taken care of at the unit than at home. "Progress is slow, but there is gradual improvement."

Dispensing of drugs. Employees attended by company physician are provided with drugs, medicines, dressings and supplies without further charge.

Clinics are conducted by company nurses. During the first 8 months of 1928, a total of 7,000 individuals, mostly children, were examined by doctors and dentists at these clinics.

Immunization. This service is confined to locations where contagious diseases are most prevalent.

Daily medical reports. Each physician must make daily reports covering cases seen each day, primarily as a record of the prevalence and character of diseases in the communities. Diagnosis is made if possible. A record is kept of new and return cases, and occupational injury. Reports are checked and summarized monthly.

The people use the clinic service freely, because there are no fees to pay; hence, while many minor ailments are treated, incipient serious disease is also frequently uncovered and checked.

A quantitative summary of daily medical reports for the first five months of 1928 showed as follows:

Total calls	52,046
House calls	14,277
Office calls	37,378
House and office calls	391
Colored	6,787
White	45,259
Males	29,092
Females	22,954
Average calls per day	2,496
Number of physicians reporting	16

Compensation injuries. Another phase of the medical program is care and treatment of compensable injuries, requiring 1,100 to 1,300 services per month. The employee must receive a "Return to Work" certificate before he may resume his regular occupation after accident or long illness; the purpose is to decrease absenteeism, avoid risk of relapse, regulate compensation, and obtain data as to time lost.

Dental service. The company has agreements with six dentists, the company providing location and making collections over payroll for services in accordance with a standard list of charges. Maintenance work is provided for children under 15 at half price. Each child is given a dental examination once a year.

Tonsillectomies are usually performed by company doctors, at a charge of \$20; some are done free of charge.

Special clinics. Eye, orthopedic, and other special clinics are conducted similarly to dental clinics.

Public health nursing service. The medical department program includes bedside, maternity, and visiting nurse service; prenatal and infant care; pre-school child welfare service; school nurse service, including social service and educational work; nursing care for tuberculosis and communicable disease. Other features of the company health program include housing and sanitation, water supply, etc.; these departments work in close cooperation with the medical department.

Hospital service. Hospitalization is provided in the Elkhorn field in the company-owned hospital at Jenkins. In return for a contribution of 50 cents per month from married employees and 40 cents per month from single employees, care arising out of non-industrial injury and ordinary sickness is assured employees and their dependents. If private room service is desired, a charge of \$1.50 per day is made. Surgical and medical services are charged for, but according to the coal company, the fees are 25 per cent lower than for corresponding services elsewhere in the region.

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TENNESSEE

The principal coal fields of Tennessee are situated in the eastern half of the state, within reach of Chattanooga and Knoxville.

A claim agent for a number of Tennessee coal companies writes that "in practically every coal mining village in the state, medical attention is rendered the employees and their families, covering sickness and non-occupational injuries, by a physician who has been elected by the miners and for whose services the miners pay a stipulated sum per month, commonly referred to as medical cuts. In some localities medical cuts are compulsory, and in other localities are voluntary on the part of the miners. Medical attention and hospitalization in connection with occupational injuries are paid for by the company." The "medical cuts," or payroll deductions, range from \$1 to \$1.50 per month per employee. Information received from several Tennessee coal companies indicates that hospitalization for non-industrial injury is provided employees and dependent members of their families under contracts between coal mining companies and independent hospitals.

ALABAMA

The bulk of the coal produced in Alabama comes from six counties with the city of Birmingham at the approximate center.

The prevailing custom in the coal mining industry of this state is for the company to provide hospital care, as well as company doctor service, in consideration of a fixed deduction from wages. Information as to the scope of the service, and the relation of the employer to the medical personnel, was obtained by personal interviews and correspondence with company officials.

Approximately 25,000 coal mining employees in this state are covered by the company doctor system.

One company, which employed an average of 375 men in 1930, employs a full-time physician on a fixed salary. There is no contract, and no outside practice by the physician is per-

mitted; his entire attention is given to the employees and their families. Medical and surgical treatment in accident or sickness, medicines, and attendant nursing care in the home, are part of the service. The doctor is permitted to charge a fee of \$15 in obstetrical cases, and a small fee in venereal and genito-urinary cases. In caring for venereal disease, he works in coöperation with the state, which furnishes the drugs for treatment. The company gives the physician a free hand in the ordering of medicines, serums, etc. For this company doctor service the employees contribute, by means of monthly payroll deductions, 90 cents for single men, \$1.35 for married men. Hospitalization, both for accident and sickness, is given in a local hospital in Birmingham, and includes treatment by a hospital staff physician. The company's contract for this service is with the staff physician, not with the hospital. It provides that the company's employees shall receive hospital care, and medical or surgical treatment while in the hospital. To the cost of this service the employees contribute by an additional monthly payroll deduction of 50 cents for single men, \$1 for married men. These contributions are carried by the company in a special fund, and are paid over in full to the hospital physician with whom the contract is made. Dental care is not included in the plan, but is secured for employees at reduced rates, by an informal arrangement between the company and a dentist. The president of the company states that the two contributions made by the employees do not cover the cost of the medical and hospital service. The company makes up the difference, which amounts to about one-third of the total cost. An approximate total of 1,250 persons, employees and dependents, was covered (May 1931) by the service.

Two other coal companies (controlled by one corporation) which in May 1931 employed about 400 men, at three mines located a few miles from Birmingham, had two full-time physicians to care for the employees and their families. An emergency receiving room and a dispensary are maintained, and care is given in the homes when needed. For this service the payroll deduction is 75 cents per month for single men, \$1 for married men. Con-

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tracts between the doctors and the controlling coal corporation provide that the doctors shall devote their entire time to the care of the mine employees and their families; in return for this service, the total amount collected through payroll deductions is turned over by the company to the doctors. Though there is no stipulation in the contract to this effect, the coal companies state that in "short times" they supplement the amount of the payroll deduction, to bring the doctors' remuneration up to a fair average amount.

Hospitalization for non-industrial injury or disease, including medical and surgical treatment by the hospital staff physicians, is provided in a Birmingham hospital, under a contract between the company and the hospital. The acceptance of this service is optional on the part of the employee, and the payroll deduction is voluntary. About 75 per cent of the employees avail themselves of this protection, and authorize a deduction of \$1 per month, which includes their dependents.

In the case of industrial injuries, care is given by the company doctors, and by the hospital if needed, all under the above mentioned contracts. If further treatment should be required which could not be furnished by these agencies, the company would consider itself liable for the expense to the amount of \$100, the sum set by the Alabama Workmen's Compensation Law as the limit of the employer's liability for the cost of medical, surgical and hospital service for an industrial injury.

This coal corporation, when it first opened its mines about thirty years ago, owned and operated a hospital. It was found impossible to furnish first-class care within the financial limits set by the size of the company's operations, and the contract plan was substituted. About 2,000 persons, employees and dependents, were covered by the present plan of service in May 1931.

Another Alabama coal mining company operating several mines and employing approximately 1,700 men, owns a hospital at the mines, and arranges with a group of six physicians to operate it. All payroll deductions are turned over by the company to the physicians' group. There is no contract, but an informal

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"agreement" between the company and the doctors, who are permitted to engage in outside practice. The service includes medical and surgical treatment and hospital care. Home visits are made when necessary. Two deductions are made, one for medical, and one for hospital service. The former is 75 cents and \$1.25 per month for single and married men respectively; the latter, 50 cents and \$1 per month. The total number of persons covered by the service in May 1931 was approximately 6,000.

One other coal company, which in 1929 employed a total average of 650 men, states in a letter that all employees and dependent members of their families are given medical and surgical treatment and hospital care under the contract system, in return for a monthly "cut" or payroll deduction.

GROUP MEDICAL SERVICE IN ALABAMA MANUFACTURING INDUSTRIES

Tennessee Coal, Iron & Railroad Company. This company, a subsidiary of the United States Steel Corporation, is the largest industrial employer in Alabama. In addition to operating coal and iron mines in Jefferson County, it has iron and steel works in the vicinity of Birmingham. This company had approximately 20,000 employees in May 1931, of whom about 4,000 were coal miners. Seventy-three per cent of the employees are colored. These employees and their families constitute a group of about 90,000 persons.

The medical and hospital service program of this company was described in the *Journal of Industrial Hygiene* for February 1926, by Dr. Lloyd Noland, M.D., Superintendent, Department of Health, and Chief Surgeon of the company. The following is in part a summary of that article, supplemented by information received from Dr. Noland by letter, and from personal investigation on the ground by the authors.

The company owns and operates a 320-bed fully equipped general hospital at Fairfield, Alabama, just outside Birmingham. This base hospital is the clearing house and center of all the work of the company's department of health. In addition, there

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are twenty dispensaries and emergency hospitals at the various plants and villages. The hospital staff and the district physicians number seventy-three doctors, all on full-time salary, no outside private practice being permitted. The hospital staff of physicians covers the various specialties. Out-patient clinics are maintained at the base hospital, to which cases are referred by the district physicians, the clinics acting as the basis of consultation work. In addition to their medical work, the district physicians act as local health officers in the company towns.

The medical division has as its function the handling of emergency accident cases occurring in line of duty, as well as the general medical care of all employees, and of the dependent families of those who reside within a radius of $2\frac{1}{2}$ miles of any dispensary; treatment is given either in the homes or at the dispensaries.

The expense of the medical division is borne partly by the company and partly by the employees, through a system of voluntary contributions. Any employee living within a $2\frac{1}{2}$ mile radius of a dispensary, and whose wages or salary are less than \$250 per month, may request that he be placed on the "medical list," and that \$1.25 per month be deducted from his wages in payment. This entitles him and his dependents to treatment for any possible ailment, either at the dispensaries or at his home, and to professional service at the base hospital. Employees whose salary is \$250 or more per month may not be on the "medical list," but may receive service as private patients. Practically all of the employees who are eligible avail themselves of the "medical list" service.

Hospital care when needed is provided at the base hospital, and is furnished at the rate of \$1.25 per day (one-third of actual cost) for ward service. Private or semi-private rooms may be had at higher rates. Employees on the "medical list" who receive hospital care may on request have deductions made from their wages to pay their bills. Workmen's compensation cases, except for the necessary emergency first-aid care at the scene of accident, are

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cared for at the hospital; the company is billed by the hospital at the actual cost.

The company employs fifteen dentists on full-time salary. No outside work is permitted. Dental clinics (one traveling) are maintained, and all classes of work are performed. Employees are charged at a low rate covering actual cost only.

The payroll deductions and the hospital charges (\$1.25 per day, ward rate) meet about 55 per cent of the cost of maintaining the health department; the company makes up the remainder. The payroll deductions are distributed, 40 per cent to the hospital, 60 per cent retained at works to pay the district physicians and the sanitary force, and for sanitation operations.

ANOTHER MANUFACTURING COMPANY PLAN

Another manufacturing company in Alabama, which employed 1,200 men in May 1931, maintains a medical service plan, partly financed through payroll deductions. Dependent members of employees' families are not entitled to free service. There is a dispensary building at the plant fully equipped for emergencies, examinations, medical and minor surgical treatment, and dental treatment. Two full-time physicians are employed on salary (no contracts), a part-time dentist on salary, and a nurse. The physicians give care and treatment in the home when necessary. For operations or special treatment beyond the scope of the company physicians or dispensary facilities, the company pays fees up to \$25 for minor, \$50 for major operations. Dental work is also done, no charges being made except for gold fillings and bridge work, for which reduced charges are paid by the employee through the company office, by payroll deduction if requested by the employee.

When hospital care is recommended by the company doctors it is given at a local community (non-profit) hospital. The company has a contract with this hospital to care for its employees, including ward care and the services of the hospital staff physicians and surgeons, at the rate of \$25 per week. A limit is set on

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non-compensation cases of six consecutive weeks in hospital for any one sickness, or twelve weeks in any calendar year.

All of the foregoing service is paid for out of a fund created in part by deductions of 25¢ per week from the wages of each employee. Hospital treatment and care for the families of employees is provided by means of a voluntary payroll deduction of 50 cents a month for ward service, or \$1 if private room service is desired, including treatment by hospital staff physicians and surgeons. The company has a separate contract with the same local hospital covering this service. The deductions are carried by the company in a special hospital fund, out of which the hospital is paid for services rendered the families of employees under the contract. Ninety-eight per cent of the married employees avail themselves of this hospital service for their families.

MEDICAL SERVICE IN AN EMPLOYEE-OWNED CONCERN

The American Cast Iron Pipe Company, Birmingham, is owned and operated by the employees on a profit-sharing basis. The medical service for employees and their families is one of many coöperative welfare activities carried on by the employee-owners. There is a medical building, with emergency beds, out-patient clinic, laboratory, X-ray, sun-lamp, dental rooms, etc., and a staff of physicians, surgeons, dentists, nurses and technicians, all on salary. In addition, a staff of specialists is retained for consultation purposes, including a diagnostician, a pediatrician, and an ear, nose and throat specialist. These consultants are paid retaining fees. The services of an optician are provided at nominal fees. Home visits are made by the company doctors and nurses. Medicines must be paid for, except such stock medicines as may be given by the doctors at the dispensary. Dental work is done free of charge, except for gold fillings, bridge work, etc. When other than emergency hospital care is needed, local community hospitals are used; there are no contract arrangements. The cost of such care is not as-

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essed on the medical department, but is a benefit of the employees' mutual benefit association.

No payroll deductions are taken for any of these services. The cost of all the various welfare services is borne by the company, which in this instance is also the employees. In May, 1931, there were approximately 1,000 employees on the payroll, representing with their families about 5,000 persons entitled to receive the medical service described.

SUMMARY

The foregoing survey shows that the large number of bituminous coal mining companies in the Appalachian states fall into the following three classes, so far as medical and hospital service to employees for non-industrial injury and sickness is concerned: (a) Coal companies which make no deduction from wages of employees to cover the cost of medical or hospital service; (b) Coal companies which deduct a fixed amount regularly from the wages of their employees to cover the cost of service by the company doctor, but which do not undertake to provide the employee with hospital service, excepting in the case of an injury covered by the compensation law; (c) Coal companies which not only make a regular deduction from the employee's wages for company doctor service, but which also deduct a fixed amount regularly to cover the cost of hospital care. Companies which make no deduction whatever constitute a small minority of the Appalachian coal mining companies, and are found only in the western Maryland coal field, and in certain districts of the central Pennsylvania and Ohio fields. Companies which make a deduction from employees' wages for the company doctor constitute the great majority of all the mining concerns operating in the Appalachian states. Companies which make deductions from wages for hospital as well as medical care are numerous in the southern West Virginia field, but rare in the northern West Virginia, Ohio, and Pennsylvania fields.

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Of the coal mining companies making a deduction from employees' wages to cover hospital service, eleven provide care in their own hospitals. One of these is in the central Pennsylvania field; four are in the eastern Kentucky field; three in the Virginia field; and three in Alabama. The others contract with some independent hospital at a fixed rate per employee per month. The contract covers care to employees for both compensable injury and sickness, and to dependents for sickness. The amount collected by the employer at regular intervals from the wages of the employees is turned over to the contracting hospital, together with a list of all contributing employees and dependents entitled to hospital care.

No information is available showing how much is paid to contract hospitals by employers to cover the cost of care necessitated by compensable injury; or how much is collected by coal companies from employees and turned over to the contract hospitals to cover the cost of care arising out of injury or disease not due to the employment. In the southern West Virginia coal field, where the hospital contract system is practically universal, the complaint is made that the result is to saddle on the employee the expense of hospital care which the workmen's compensation law intended should be borne by the employer. No similar charge has been heard in the coal fields of Virginia, Kentucky, Tennessee and Alabama, where the hospital contract system is found to a limited extent. The next chapter will be devoted to detailed consideration of the hospital contract system in the southern West Virginia coal field.