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CHAPTER IX

FIXED PAYMENT MEDICAL SERVICE FOR RAILROAD EMPLOYEES

EMPLOYEES of a number of trunk-line railroad systems in the United States normally secure medical, surgical and hospital care arising out of injury or sickness by virtue of their membership in employee hospital associations.¹

In all, twenty-seven separate hospital associations have been found. In some instances, because of consolidations, one railroad system may have more than one hospital association; in others the hospital association may cover employees of only a part of the system. Twenty of the hospital associations found in the course of this investigation are connected with railroads operating out of Chicago and west of the Mississippi River, and seven with systems operating in states east of that river.

The funds out of which the cost of the service provided by these railroad hospital associations is met are derived chiefly from dues collected by the railroad companies from employees through a deduction from wages, and turned over to the hospital associations. Most associations receive some financial support from the railroad company, in payment of the expense of hospital care necessitated by injuries sustained "in line of duty." In some hospital associations, such payment is on a case-by-case basis; in others, a periodic lump sum payment by the railroad company discharges its responsibility for medical care arising out of "duty" accidents.

As pointed out in Chapter I, there is no Federal Workmen's Compensation Act applying to employees engaged in interstate commerce, but only a Federal Employers' Liability Law, liberal-

¹ Figures given in this chapter have been compiled from *Statistics of Railways in the United States, 1929*, Interstate Commerce Commission, Washington, 1930, and periodical statistical releases. A Class I railroad is one having annual revenue over \$1,000,000. Class I railroads operated 92.2 per cent of the steam railroad mileage at the close of 1929; they had on their payrolls 98 per cent of the total steam railroad employees.

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izing the conditions of recovery of damages from the employer by the employee engaged in interstate commerce.² The present system under which American railroads in practically all cases pay for medical, surgical and hospital care to employees disabled by a "duty" injury, as well as compensate the employee for loss of earning power, is the result of mutual understandings between the railroad management and the employees.

MEMBERSHIP AUTOMATIC

In most of the railroad employee hospital associations, membership is automatic; all officers and employees of the company from the president down belong to the association. Strictly speaking, membership in the hospital association ceases when employment ceases, or when the employee ceases to pay his dues. Usually, however, there is a provision for continuance of membership in the hospital association during a period of "lay-off". Dependent members of families of employees are not entitled to free hospital service by virtue of the breadwinner's membership in the association, but it is customary to allow them reduced rates.³

COMPANY-OWNED AND "DESIGNATED" HOSPITALS

Of the 27 associations, 17 directly operate a total of 33 hospitals, located at strategic points along the lines of their respective railroads and ranging in size from 20 to 300 beds, and representing a total bed capacity of 3,129.⁴ Title to these hospitals is generally held by the railroad company. Hospital associations not directly operating hospitals arrange with independent institutions in cities and towns along the line of the road, to provide

² In 1911-12 a Federal Commission made an extensive study of compensation for injured railroad employees, reporting a Workmen's Compensation Bill which passed both Houses of Congress, but with amendments that were not agreed upon when Congress adjourned. Since 1912 bills have been introduced in Congress, but have never been reported out of committee.

³ According to figures published by the Interstate Commerce Commission (Statement No. M-300, February, 1932) the total number of employees on Class I steam railroads in the middle of February 1932, was 1,093,215, a decline of 567,635 from the average total of 1,660,850 for the year 1929. Presumably there was a corresponding decline in the number of employees entitled to medical care from the railroad hospital associations.

⁴ Figures compiled from American Medical Association Hospital Census for 1930. All of the 33 hospitals are registered by the American Medical Association.

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hospitalization to members disabled by a "non-duty" injury or sickness. These are known as "designated" hospitals. The hospital association pays the hospital for service rendered, either on a case basis, or under a definite contract arrangement. Where the designated independent hospital provides care arising out of an injury sustained in the course of duty, payment is usually paid directly to the hospital by the railroad company.

Practically all American trunk-line railroads maintain a staff of employed physicians and surgeons to render first-aid to employees and passengers injured in connection with the operation of the railroad. Where there is a hospital association, the physicians on the medical staff of the association are usually the company physicians and surgeons. Various methods are employed of adjusting their remuneration for services rendered, between the company and the association. Only one of the 27 associations definitely states that the company has a separate staff of surgeons to care for employees injured on duty; in the event that the association takes care of such patients, the company reimburses it for any expense incurred. Another association states that the company "appoints the Association physicians as Company Surgeons." Otherwise all information available indicates that association physicians are also the company medical staff; in fact, in many cases they are referred to as "company surgeons". On the smaller roads only the chief surgeon, the district surgeons, and the head of the hospital are full-time salaried officers, others being employed on a part-time basis, or on a fee basis. The associations operating large hospitals employ full staffs, some on full-time, some on part-time basis. Specialists are usually on a fee basis, sometimes "fixed" fees, according to a regular schedule of rates. Consultants on the staffs are paid for their services either by a regular salary, a retaining fee, or for services as rendered.

CASH BENEFIT PAID BY TWO ASSOCIATIONS

Only two out of 27 hospital associations studied provide any monetary benefit to the members covering the loss of regular earnings during the period of disability.⁵

⁵ As will be shown in detail in Chapter XIII (Trade Union Sick Benefit Plans),

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On railroads which do not have employee hospital associations, employees make their own private arrangements for medical, surgical and hospital care arising out of a "non-duty" injury or illness. On such roads, surgical and hospital care necessitated by a "duty" injury are usually provided at company expense by the railroad's own staff of surgeons, in independent hospitals designated by the railroad company.

The following table shows the total owned mileage and average total number of employees in 1929 of all Class I railroads in the United States (classified by railroad "regions") that have

Districts and Regions	All Class I Steam Railroads		Railroads Reporting Hospital Associations		Per Cent of Total	
	Mileage Owned	Employees	Mileage Owned	Employees	Mileage Owned	Employees
<i>Eastern and Southern Districts</i>	68,850	1,029,739	15,949	146,847	23.2	14.3
<i>Western District:—</i>						
North Western Region	44,300	197,285	20,887	54,266 ^a	48.0	27.5
Central Western Region	37,956	281,344	27,158	224,630	71.6	79.8
South Western Region	24,724	152,482	23,590	145,662	95.4	95.5
Totals	175,830	1,660,850	87,584	571,405 ^b	49.8	34.4 ^c

^a Includes only the 10,439 employees of the Chicago, Milwaukee, St. Paul and Pacific Railway on the lines west of Mobridge, So. Dakota; the remaining 37,456 employees of this Railway System, on lines east of Mobridge, do not participate in the Hospital Association.

^b To make the figures comparable with estimated total number of employees in the mining and lumber industries who receive medical service from the employer, the percentage figure shown in the last column (34.4) has been applied to the total number of employees of Class I steam railroads reported to the Interstate Commerce Commission for April 15, 1930,—the month during which the Federal Census was taken. This figure was 1,572,566.

^c Railroads not heard from accounted for 8.2 per cent of the total employees. In the Eastern and Southern Districts, the proportion was 11.1 per cent; in the Northwestern Region, 1.6 per cent; in the Southwestern Region, 4.9 per cent. It does not seem likely that reports from these railroads would increase the number entitled to hospital care as members of hospital associations.

national railroad brotherhoods and their local lodges, as well as many of the local unions affiliated with the shop craft national unions, provide cash disability benefits to members temporarily deprived of regular earnings through sickness or accident.

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hospital associations, and the per cent of such mileage and number of employees to the total mileage and number of employees for the entire country.

Following is a list of Class I railroads in the various "regions" which have employee hospital associations. The total owned mileage, total average number of employees and the states served by them are also given. In general, the employees who are entitled to medical service as members of railroad hospital associations would be residents of the states mentioned.

CLASS I STEAM RAILROADS HAVING HOSPITAL ASSOCIATIONS PROVIDING MEDICAL, SURGICAL AND HOSPITAL CARE AS A MEMBERSHIP BENEFIT

EASTERN AND SOUTHERN DISTRICTS

(Comprising New England, Great Lakes, Central Eastern, Pöcohontas, and Southern Regions)

Railroad	Miles Owned 1929	Number of Employees 1929	States Served
Atlantic Coast Line Railroad Co.	4,844	25,753	Virginia, N. Carolina, S. Carolina, Georgia, Florida, Alabama
Illinois Central System, including Illinois Central Railroad Co., Gulf & Ship Island R.R. Co. and Yazoo & Mississippi Valley R.R.	3,836	55,856	Illinois, Indiana, Missouri, Kentucky, Tennessee, Alabama, Mississippi, Louisiana, Arkansas, Nebraska, Iowa, Wisconsin, Minnesota, S. Dakota
Central of Georgia Railway Co. ^a	1,477	8,011	Georgia, Alabama
Florida East Coast Railway Co.	857	3,505	Florida
Chesapeake & Ohio Railway Co.	2,260	32,740	Virginia, W. Virginia, Kentucky, Ohio, Illinois
Wabash Railway Company	1,953	18,099	Ohio, Indiana, Michigan, Illinois, Iowa, Nebraska, Missouri, Kansas (also operates in Ontario, Canada)
Missouri-Illinois R.R. Co. (Missouri-Pacific System) ²	136	564	Missouri, Illinois
Gulf, Mobile & Northern R.R. Co.	586	2,319	Alabama, Mississippi, Tennessee, Kentucky
Total for Eastern and Southern Districts	15,949	146,847	

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**CLASS I STEAM RAILROADS HAVING HOSPITAL ASSOCIATIONS PROVIDING
MEDICAL, SURGICAL AND HOSPITAL CARE AS A MEMBERSHIP BENEFIT
(Continued)**

WESTERN DISTRICT

(North Western Region)

Railroad	Miles Owned 1929	Number of Employees 1929	States Served
Chicago, Milwaukee, St. Paul & Pacific Railroad ^b	10,180	10,439 ^b	Indiana, Illinois, Missouri, Wisconsin, Iowa, Minnesota, No. Dakota, Nebraska, Wyoming, Montana, Idaho, Washington
Northern Pacific Railway Co. ...	6,504	25,403	Illinois, Wisconsin, Minnesota, No. Dakota, Montana, Washington, Oregon
Chicago, St. Paul, Minneapolis & Omaha Railway Co. (Chicago & No. Western System)	1,674	8,087	Wisconsin, Minnesota, Iowa, Nebraska, So. Dakota
Oregon-Washington Railroad & Navigation Co. (Union Pacific System) ^{a d}	2,034	7,988	Washington, Oregon
Spokane, Portland & Seattle Railway Company	495	2,349	Washington, Oregon
Total for North Western Region	20,887	54,266	

(Central Western Region)

Union Pacific Railroad Company (Union Pacific System) ^{a e} including St. Joseph & Grand Island Railway Co.	4,012	27,817	Illinois, Iowa, Missouri, Nebraska, Kansas, Colorado, Wyoming, Montana, Idaho, Washington, Oregon
Oregon Short Line Railroad Co. (Union Pacific System) ^{a e} ...	2,343	8,521	Oregon, Idaho, Wyoming
Los Angeles & Salt Lake R.R. Co. (Union Pacific System) ^{a e} ..	1,078	6,376	Utah, Nevada, California
Southern Pacific Co. (Southern Pacific System) ^{f g} including Northwestern Pacific R.R. Co.	1,752	67,349	Louisiana, Texas, New Mexico, Arizona, Utah, California, Nevada, Oregon, Washington
Western Pacific Railroad Co. ...	1,053	5,176	California, Nevada, Utah

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CLASS I STEAM RAILROADS HAVING HOSPITAL ASSOCIATIONS PROVIDING MEDICAL, SURGICAL AND HOSPITAL CARE AS A MEMBERSHIP BENEFIT
(Continued)

Railroad	Miles Owned 1929	Number of Employees 1929	States Served
Atchison, Topeka & Santa Fe Railroad Co. (Santa Fe System) ^f ^g including Panhandle & Santa Fe Railway Co.	7,273	57,540	Illinois, Iowa, Missouri, Kansas, Oklahoma, Louisiana, New Mexico, Colorado, Arizona, California, Texas
Chicago, Rock Island & Pacific Railway Co. (Rock Island System) ^h including Rock Island & Gulf Railroad Co.	5,942	38,109	Illinois, Iowa, Missouri, Nebraska, Kansas, Colorado, Oklahoma, Arkansas, Tennessee, Louisiana, Texas, New Mexico, Arizona, California
Denver & Rio Grande Western Railroad Co.	2,459	9,741	Colorado, New Mexico, Utah
Colorado & Southern Ry. Co. (Burlington Route)	860	2,785	Colorado
Denver & Salt Lake Ry. Co. (Burlington Route)	220	967	Colorado
Nevada Northern Railway Co...	166	249	Nevada
Total for Central Western Region	27,158	224,630	

(South Western Region)

Missouri Pacific Railroad Co. (Missouri Pacific System) ⁱ ..	6,540	37,289	Missouri, Illinois, Kansas, Nebraska, Colorado, Arkansas, Oklahoma
Texas Pacific Railway Co. ^j (Missouri-Pacific System) including: Int. Great Northern R.R. Co., St. Louis, Brownsville & Mexico Railway Co. and Missouri-Pacific Lines in Texas...	4,150	23,419	Louisiana, Texas
St. Louis-San Francisco Ry. Co. (Frisco Lines) ^h including: St. Louis-San Francisco & Texas Ry. Co., Fort Worth & Rio Grande Ry. Co.	5,469	23,494	Kansas, Missouri, Oklahoma, Arkansas, Texas, Louisiana, Tennessee, Mississippi, Alabama, Florida
Gulf, Colorado & Santa Fe Ry. Co (Santa Fe System) ^o ^g ...	1,243	7,988	Texas

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CLASS I STEAM RAILROADS HAVING HOSPITAL ASSOCIATIONS PROVIDING MEDICAL, SURGICAL AND HOSPITAL CARE AS A MEMBERSHIP BENEFIT

(Continued)

Railroad	Miles Owned 1929	Number of Em- ployees 1929	States Served
Kansas City, Mexico & Orient Ry. Co. (Santa Fe System) ^e ^g	259	976	Kansas, Oklahoma, Texas (also Mexico)
Kansas City, Mexico & Orient Ry. Co. of Texas (Santa Fe System) ^e ^g	466	1,040	Texas
Kansas City Southern Railway Co. (Kansas City-Southern System) including: Texarkana & Ft. Smith Ry. Co.	606	5,225	Kansas, Missouri, Oklahoma, Arkansas, Texas, Louisiana
St. Louis-Southwestern Ry. Co. (St. Louis - Southwestern Lines) ^g including: St. Louis-Southwestern Ry. Co. of Texas	1,384	7,745	Missouri, Arkansas, Tennessee, Louisiana, Texas
Missouri-Kansas-Texas R.R. Co. (M.-K.-T. Lines) ^g including: Missouri-Kansas-Texas R.R. Co. of Texas	2,678	13,391	Missouri, Kansas, Oklahoma, Texas
Midland Valley Railroad Co....	338	1,054	Kansas, Oklahoma, Arkansas
Texas & New Orleans R.R. Co. (Southern Pacific System) ¹ ^g ..	457	24,041	Texas, Louisiana
Total for South Western Region.	23,590	145,662	
Grand Total	87,584	571,405	

^a Subsidiary of Illinois Central System, but has own Hospital Department.

^b Hospital Association covers employees only on lines West of Mobridge (So. Dakota). The Chief Surgeon, Lines West, states in letter (July 27, 1931) that in 1927 the number of contributing employees in the Hospital Association was 10,439. The total number of employees of the entire road, East and West, was 47,995 (Statistics of Railways in U. S., I. C. C., 1929). The mileage figure as given is that of the entire road, East and West, 1929.

^c This system also operates in Central Western Region.

^d The Hospital Department plan is uniform over entire Union Pacific system, but each subsidiary company organizes, administers, and operates its own Department.

^e This System also operates in North Western Region.

^f This System also operates in South Western Region.

^g The Hospital Association operates over the entire system.

^h The Hospital Association operates on lines in Tennessee, Louisiana, Oklahoma, Arkansas, Texas.

¹ This System also operates in Central Eastern Region.

^j The Texas Pacific is part of the Missouri Pacific System, but has its own Hospital Association, in which are included employees of International Great Northern and St. Louis, Brownsville & Mexico Railroads.

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FORM OF ORGANIZATION

Analysis of by-laws, rules and regulations, annual reports, etc., relating to the 27 railroad hospital associations found by the National Bureau, indicates that while they vary considerably in detail, they are in the main sufficiently similar to permit of presentation in summary form of their general characteristics. They classify first into two main groups, "Hospital Associations" and "Hospital Departments". Hospital associations are usually organizations technically separate from the railroad company, frequently incorporated, and administered by a governing body on which both the company and the employees are represented. A hospital department, as its name indicates, is operated as a department of the company. On the larger roads operating hospital departments there is a governing or advisory board on which the contributing employees are represented.

Of the 27 organizations under consideration, 20 are associations; two of these are called "benefit" associations. Seven are departments, three being called hospital departments; two, medical departments; one, a hospital trust; and one a relief department.

The administration of hospital associations is usually entrusted to a board of managers, trustees, directors or governors. In most cases this body is representative of both the company and the contributing employees. For 14 of the 20 associations studied, information on this point is available. The proportion of company and employee representatives varies greatly. Two boards of directors are entirely elected by the members of the association (contributing employees); another association (one of the largest) is directed entirely by company officials. Between these two extremes are eleven associations whose governing boards are composed of appointees of the companies and elected representatives of the employees as shown in the table on the next page.

Of the seven organizations conducted as departments of the railroad companies, two of the largest are administered similarly to associations. In one, the department is in charge of a board

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<i>Name of Governing Body</i>	<i>Total Number of Members</i>	<i>Appointed by Company</i>	<i>Elected by Employees</i>
Board of Governors	19	9	10
“ “ Managers	12	3	9
“ “ Managers	9	5	4
“ “ Trustees	12	6	6
“ “ Trustees	5	3	2
“ “ Managers	16	6	10
“ “ Trustees	9	2	7
“ “ Managers	8	4	4
“ “ Trustees	5	3	2
“ “ Trustees	6 ^a	3	3
“ “ Trustees	11	1	10

^a A seventh trustee may be elected by these six in case of failure to agree on any matter of importance; he must be a person not connected with the company in any capacity.

of nine members, five appointed by the company, four elected by employees; one of the company appointees is the chief surgeon, who is the executive officer of the department. In the other, the medical director, a company officer, has full charge, with the assistance of an advisory committee of twelve, six appointed by the company, six elected by the employees. A hospital department in one of the large railroads of the southwest is administered by the company as trustee; a general board of elected representatives of the employees inspects all operations, and all rules, regulations, policies, must be submitted for its approval. Three of the remaining four hospital departments, one of them being that of a large system in the central and northwestern regions, operate strictly as company departments, in charge of the chief surgeon, who is responsible to the general manager; in the fourth, the claim agent of the company administers the department, and appoints the chief surgeon.

GOVERNING BODIES

The duties of governing bodies are, in general, the supervision of all operations of the association,⁷ the holding of meet-

⁷ The term "hospital association" will be used hereafter as the general title for these railroad contributory medical service organizations, whether designated by their official titles as "associations," "departments," or otherwise.

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ings at stated intervals, and at the call of the Chairman or President; the election of officers, and of an executive committee or officer, to whom is delegated the direct administration of the affairs of the association; the disbursement of the funds of the association, and accounting for same; amending or repealing by-laws, and issuing rules and regulations.

The executive head of the organization is in nearly all cases the chief surgeon. His duties are defined in terms similar to the following: he has immediate supervision and control of the hospital and all matters pertaining to the management of the association; he appoints and fixes the compensation of all physicians, surgeons, and other employees of the association; he makes rules and regulations governing the medical staff, the hospitals, the provision of the benefits, etc.; and certifies to the correctness of all bills and accounts.

The method of selecting the chief surgeon varies. Where the service is operated as a company department, he is naturally a company official. In eleven of the associations he is appointed by the company, in nine, elected by the governing board (on which the employees are represented). In one large association the president of the board is the executive officer, and the chief surgeon, a company appointee, is responsible to him.

MEMBERSHIP CONDITIONS

In two of the organizations studied, the by-laws seem to leave with the employee the option of joining the association. In these two instances information is to the effect that practically all eligible employees are members. In the other 25 associations, membership is compulsory, as usually stated, "on all officers and employees" while in the service of the company. Certain exceptions are made; for instance, employees working "off the line of road" are usually ineligible, also temporary employees, and those receiving less than a specified wage. Employees of the hospital association are included as mem-

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bers in a number of cases; in one, as non-contributing members. On at least one road, pensioned employees are compulsory members; information on this point is available for nine other associations, as follows: six permit pensioned employees to retain membership voluntarily, on payment of dues, usually based on amount of monthly pension; three permit pensioners to remain members without payment of dues, but in one instance no free hospital care is allowed this class of members; one association keeps as "honorary members" not paying dues, all superannuated and permanently disabled employees, and those who have been contributing members for 25 years; another has several classes of "non-contributing members," i.e., superannuated, pensioned and permanently disabled employees of the company, employees of the hospital association, and dependents of employee members (this last class receives surgical treatment only, at an association hospital). This last mentioned association is the only one which includes dependents as members, even of a special class; a few of the associations give certain limited medical service to dependents of members, which will be discussed later.

MEMBERSHIP DUES

Membership dues are in most cases based on the amount of pay received in a month, and vary in amount from a minimum of 25 cents on one road to a maximum of \$3.75 on another; sometimes the dues are reckoned at one per cent of the monthly wage, with a stated maximum. The range of the amounts of dues on different railroads may be indicated by some typical examples: 35 cents to 50 cents; 55 cents to \$1; 35 cents to \$1.25; 40 cents to \$1.75; 75 cents to \$3.75 (the highest minimum and maximum among the 27 associations). Seven associations have a flat rate of contribution, six of \$1, one of \$1.50 per month; for four of the associations, information is not at hand as to the amount of the monthly dues.

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COMPANY CONTRIBUTIONS

Practice as to financial contributions by the railroad company to the hospital association varies greatly among the 27 associations. Many of the hospital associations now operating as independent institutions, particularly the older ones, were established by the railroad companies, and transferred to the associations, which had been especially organized to take them over, when they became self-sustaining. The property so transferred usually consisted of hospital buildings and grounds, and accumulated funds. Sometimes the company retains title to the hospital plant, permitting the association the use of it free of charge. A brief summary statement of the methods of a few of the more important associations is given here for convenience: company pays "operating expenses" (not salaries or maintenance), pays interest on monthly balances of association funds, and guarantees deficit, if any; company owns the hospital properties and pays for upkeep; company pays all expenses incident to care of employees injured on duty, including proportionate share of physicians' salaries; company owns hospital plant, pays part of operating expenses, and pays cost of care of employees injured on duty; company owns and pays for upkeep of hospital buildings and grounds; in three of the smaller associations the companies make up the deficit which exists each year; company contributes \$1,000 per month to the association; company contributes monthly a sum equal to 10 per cent of the employees' contributions, and appoints the association physicians as company surgeons, i.e., pays for their services to employees injured on duty; company reimburses association for expense of care of injuries incurred on duty, when these cases are handled by the association (this company maintains a separate medical staff); company pays a certain percentage of the operating expenses each month; company built and owns hospitals, and pays all expenses incident to care of injuries incurred on duty; company built and owns the hospitals; company pays for care of employees injured on duty, including pro rata share of physicians' salaries. For eight of the associations

studied, information at hand indicates no direct financial contribution by the company at the present time; for the remaining four, no information at all on this point is available. It is customary on most roads to furnish free transportation to sick and injured employees to and from the hospital, to members of the medical staff, and for hospital supplies and equipment. Free telegraph and telephone service is frequently mentioned as a company contribution, to "facilitate the care and transportation of sick and injured members of the hospital association."

SCOPE OF SERVICE

It may be stated in general terms that all railroad hospital associations offer medical and surgical treatment and hospital care to members disabled by any injury or by sickness, while they are in the employ of the railroad companies. The object of the association is usually stated in the by-laws to be "to provide medical and surgical attention to sick and injured employees of the railroad company." A description in summary form of the service offered by four associations in different sections of the country will perhaps give a sufficiently adequate picture of the medical, surgical and hospital service provided by railroad hospital associations.

1. *An Eastern Railroad System.* A Hospital Association in the eastern section has approximately 30,000 members, and operates two hospitals totalling 235 beds. Nine physicians, surgeons and specialists constitute the medical staffs of the two hospitals. The Association designates nine independent outside hospitals, and employs sixteen of the medical staff of these hospitals as association physicians. In addition it employs about 300 local physicians at various points along the railroad lines. Sick or injured members of the Association must be sent to an Association or designated hospital; the local Association doctors are not required to attend sick members, beyond facilitating their removal to the hospital; (if in an emergency another hospital must be used the patient must be moved as soon as possible to an Association

hospital); members entering an Association hospital "shall be provided with first-class medical and surgical attention, medicines, nursing and board, without charge"; the services of eye, ear, nose and throat specialists are supplied when authorized by the proper medical officer; dental work is done only when made necessary because of accident, or when specially recommended by the proper medical officer; medicines are furnished free, from the dispensaries at the two Association hospitals, upon prescription of any physician, when indorsed by a specified company official, or may be obtained elsewhere under authority of the Chief Surgeon; stretchers are kept at all principal stations; free ambulance service is furnished to convey badly injured or very sick members from train to hospital; members may send dependent relatives needing treatment to either of the two Association hospitals, where reduced rates are charged them for hospital care, including board, general nursing, and use of operating room, but not medical or surgical treatment. Members suffering from the effects of injuries or diseases contracted prior to their employment by the company may not be treated for these at the Association's expense; chronic, mental and venereal diseases are excluded from treatment at the expense of the Association, unless specially authorized by the Chief Surgeon. When a member dies in an Association or designated hospital, and his family is in straitened circumstances, a funeral allowance of \$50 may be made, on approval of the Association's finance committee.

2. *A Mississippi Valley Railroad System.* A railroad system serving the Mississippi and Missouri River valleys has a Hospital Association of approximately 50,000 members, operates three hospitals totalling 423 beds, and designates independent hospitals at all principal cities on its line of road. Including the staff men of these hospitals and local physicians at other points, the Association employs approximately 800 physicians. Sick and injured members receive medical and surgical treatment, at home or at the doctor's office, including medicines, dressings, and certain appliances, up to a period of one year continuously; further treatment must be approved by the Chief Surgeon. In case hospital care is needed

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the patient is sent to one of the three Association hospitals or to a designated hospital, where he is "furnished with all necessary care and attention as determined by the surgeon in charge"; (this means regular ward service; special nursing and private room are furnished only when the physician in charge deems it necessary for the patient's welfare); hospital care is limited to a continuous period of six months, unless further care is authorized by the Chief Surgeon. As a matter of actual practice, (we are informed by the Chief Surgeon) these limitations are seldom adhered to; a patient receives care as long as he needs it, unless he is an incurable case, when other arrangements would naturally be made. The medical service at the hospital includes everything necessary for diagnosis and treatment, i.e., laboratory, X-ray, specialist treatment, surgery, medicines and appliances. In case of the death of a member, either at home or in the hospital, burial expense of \$30 may be allowed. The usual exclusions are made, i.e., no treatment is furnished for chronic diseases acquired before employment (unless the employee has been in continuous service for the preceding one year); venereal diseases, intemperance, vicious habits, injuries received in a fight or unlawful act; contagious diseases subject to quarantine are not treated, but home treatment is given in typhoid, diphtheria, scarlet fever, measles, and other contagious diseases not treated in general hospitals; trachoma, pellagra, and pulmonary tuberculosis are given treatment by local association physicians, but are not admitted to hospitals; mental diseases and epilepsy are not treated; dental service, and treatment for acute conditions due to pregnancy, are not furnished. Dependent families of members are not beneficiaries of the Association. The hospitals operated by the Association are open to the public, and any person may be taken as a private paying patient at regular hospital rates.

3. *A North Western Railroad System.* A Railroad Hospital Association in the northwest has a membership of approximately 10,000; owns and operates two hospitals totalling 55 beds, and has contracts with 21 independent hospitals along the lines of road. The annual report of the association for 1929 lists 141 "Associa-

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tion surgeons," including oculists, 15 "consultants," and 21 "association dentists." The benefits consist of: hospital (ward) care under the direction of Association surgeons at hospitals operated or designated by the Association; (emergency cases may be treated temporarily at other hospitals at Association expense on order of district surgeon; ambulance and attendant are furnished when necessary in the transfer of patients); medical and surgical treatment by Association surgeons (a) at Association or designated hospitals, (b) at other hospitals in emergency, (c) at member's home or surgeon's office, in any place where an Association surgeon is located, (d) at other points on the line, temporarily, when authorized by Chief or District Surgeon, (e) by specialists, on authority of Chief or District Surgeon, (f) superannuated employees who have been members of Association for 25 years are given free office treatment by Association surgeons, but not medicines or hospital care. Medicines are furnished free on prescription of Association surgeons, by Association druggists; artificial limbs, eyes and surgical appliances are furnished, but not renewed. Eye examinations are given by Association oculists, and spectacles are provided to cost not more than \$5. Vaccination for smallpox is done on request; typhoid fever inoculations are given when that disease is prevalent; hay fever inoculations are given on order of an Association surgeon. On the death of a member, a burial allowance of \$75 may be made. Dental service provided consists of X-ray examinations in case of injury or for diagnostic purposes; extractions; and treatment for conditions due to injury. The usual restrictions are named, treatment not being allowed for conditions due to venereal disease, use of intoxicants or narcotics, unlawful acts, personal difficulties or assaults not connected with the company's business, or for conditions existing prior to employment; exceptions to this last restriction are made in the case of chronically infected tonsils for those who have been members of the Association for one year or more, and for rupture, nasal deformities and other chronic conditions, for members who have contributed continuously for three years or more. Quarantine diseases are excluded, but other contagious diseases

are given "necessary and practicable" care. Pulmonary tuberculosis is treated by Association physicians, but tuberculous patients are not given hospital care, except that in cases where the disease develops after the person has passed a physical examination for employment or has contributed continuously for two years or more, the Association allows \$2 per day, for a maximum of 90 days, for treatment in a sanatorium, on authority of the Chief Surgeon. The Association does not furnish care or treatment for mental conditions, for the aged or permanently disabled, for pregnancy or complications thereof. Chiropodist, Pasteur and "experimental types" of treatment are specifically excluded. Treatment in the hospital or by the Association line surgeons is continued as long as the surgeons consider it necessary, "but treatment of those incapacitated from work by accident or sickness will not exceed three months, except at discretion of the Chief Surgeon in cases where he considers there is reasonable hope of full recovery" by continuing the treatment. Treatment for incurable conditions is restricted to stated periods, depending on the length of time the patient has been contributing to the Association.

4. *A South Western Railroad System.* A Hospital Association of a large railroad in the central and southwestern regions serves approximately 38,000 employees, owns and operates two hospitals totalling 450 beds, and uses the facilities of an independent hospital in another city; in addition it has arrangements for emergency care of members with 50 independent hospitals along the line, and local surgeons and dispensaries at 293 additional points. The Association staff consists of 591 physicians, surgeons and specialists. Complete medical and surgical treatment and hospital care for all sickness and injury (with the usual exclusions) are given, including physiotherapy, dental treatment and work, X-rays, laboratory and specialist treatment. Members suffering from pulmonary tuberculosis are given care at the expense of the Association, under special arrangements with four tuberculosis sanatoria, for a maximum period of 14 months; totally disabled tuberculosis patients under treatment at home are

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allowed \$30 per month for 36 months. Dependents of Association members are accepted as surgical patients in association hospitals, at reduced rates for both care and treatment.

RAILROAD "RELIEF DEPARTMENTS"

The reader will perhaps have remarked the absence from the list of railroads having hospital associations, of some of the largest railroad systems in the eastern and middle western sections of the United States. Among the Class I railroads not having employee hospital associations are the following: Boston and Maine; New York, New Haven and Hartford; New York Central; Pennsylvania; Baltimore and Ohio; Southern; Louisville and Nashville; Great Northern; Chicago and Northwestern; Burlington.

On several of these railroad systems, one finds well organized "relief" departments of long standing. The relief departments function as mutual benefit associations, providing cash benefit to cover loss of earnings caused by a disabling injury or sickness. As already pointed out, the railroad provides or pays for hospital care arising out of a "duty" injury, even when no hospital association exists. The following summary will give an outline picture of the organization, administrative methods and benefits of railroad relief departments.

1. *The Pennsylvania Railroad Voluntary Relief Department.*⁸

This organization states its object to be the establishment and management of a "Fund" for the payment of definite amounts to contributing members when they are disabled by accident or sickness, and death benefits to their beneficiaries. The relief fund is formed by voluntary contributions from members; appropriations, when necessary to make up deficits, from the company;

⁸ The following information was obtained from printed regulations, and from personal interview and correspondence with the Superintendent of the Relief Department, Mr. E. B. Hunt, to whom acknowledgment is made.

The railroads included in the Pennsylvania system in 1929 employed an average of 182,529 persons.

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income derived from investments; and such gifts or legacies as may be made. The company supplies the facilities for conducting the Department and pays all operating expenses, including the salaries of the medical staff; takes charge of the funds, and is responsible for their safekeeping. The Department is administered by an Advisory Committee, consisting of the vice-president in charge of personnel as *ex-officio* Chairman and Superintendent, 18 members chosen by contributing employees, and 18 chosen by the Boards of Directors of the railroad in the system.

For the treatment of accidental injuries and for other emergencies affecting both employees and the traveling public, medical examiners, under the supervision of the Relief Department, are stationed in cities along the lines of the road. These men are full-time salaried employees of the company; in July, 1931, there were 97 of them. They examine applicants for employment, and through periodic examinations keep check on the physical condition of the men actively engaged in the operation of trains. Connected with each medical examiner's office is a dispensary where employees may secure ambulatory treatment for both accidental injuries and sickness. At other points such as yards and shops, complete first-aid rooms are maintained. In addition to this service, local practicing physicians at convenient points are under contract to the company to answer emergency calls. Arrangements are also made with local hospitals at principal points to receive and care for injured persons, at the expense of the company.

Membership in the Relief Department is voluntary, but the Superintendent states that 95 per cent of the employees join, usually making their application at the time of the medical examination for entering employment.

Contributions are made monthly, are deducted from payroll, and range from 75 cents to \$3.75, based on wages or salary; supplementary contributions to cover an additional death benefit may be made if the member desires.

Benefits due by reason of these contributions consist of cash payments to members disabled by accident or sickness, ranging

from 50 cents to \$2.50 per day for a maximum period of 52 weeks, and at half these rates after 52 weeks, during the continuance of the disability; (for sickness benefits there is a waiting period of six days). Benefits from \$250 to \$1,250 are paid on the death of a member, to his designated beneficiary. Superannuation allowances are paid under certain conditions. In a few special instances, the relief department pays for medical, surgical or hospital care received by a member arising out of a non-duty injury or sickness.

Members suffering from disabilities due to intoxication, immoral practices, use of narcotics, voluntary self-injury, unlawful acts, may not receive benefits for these.

Periodic health examinations by the medical examiners are offered by the Relief Department, of which a large proportion of the employees voluntarily avail themselves.

2. *The Relief Department of the Baltimore and Ohio Railroad Company.*⁹ This Department had its inception in the establishment in 1884 of an employees' relief fund known as the "Invalid Fund." In 1879 officials of the company made first-hand studies abroad of the activities and scope of the English Friendly Societies and similar institutions on the Continent, which resulted in the organization of an Employees' Relief Association, later (1882) incorporated. This Association relinquished its charter in 1889, and the present relief feature was organized as a section of the Relief Department of the Company. The Department has two functions, the Relief Feature and the Savings Feature.

The company has general charge of the Department; furnishes office room and equipment; gives the services of its officers and employees, and the use of its facilities; is custodian of the funds, and guarantees "the true and faithful performance" of the officers and employees of the Department; and assumes the

⁹ The following information was obtained from printed regulations, and personal interview with Dr. E. V. Milholland, Superintendent and Medical Director, and Mr. W. H. Ball, Assistant Superintendent, of the Relief Department, to whom acknowledgment is made.

The B. & O. Railroad Company employed an average total of 63,921 persons in 1929.

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operating expenses of the Department, including "payment for the services of all necessary medical examiners and surgeons."

The senior vice-president of the company appoints the Superintendent, who is also the Medical Director, and certain other officers of the Department. An Advisory Committee elected by the contributing employees makes recommendation in reference to the business of the Department, and receives complaints of members. An Operating Committee representing both the company and the employees has charge of the operations of the Relief Feature.

Membership in the Relief Feature is voluntary; 90 per cent of the eligible employees belong. All must pass a medical examination, hence applications for membership are usually filed at the time of passing the examination for employment. Contributions range from 75 cents to \$5 per month according to wages or salary, and class of employment. Contributions are collected by payroll deduction, on order of the member; they may be paid directly by the member if he so prefers.

The cash benefits paid are in the same amounts, and for the same periods, as in the Pennsylvania Railroad Relief Department.

The medical service of the company is organized and supervised by the Relief Department, through the Medical Director. At each of three independent local hospitals at important cities on the lines, a "diagnostic unit" of physicians and specialists is maintained, and hospital care provided. There are 45 full-time salaried medical examiners stationed along the lines, and arrangements are had with local physicians for emergency service. At the three hospitals, disabled employees come or are brought in for whatever examination, diagnosis, medical, surgical, or specialist treatment, or hospital care they may need, at the company's expense. Technically this service is for injury incurred on duty, but the Medical Director states that the company has always "taken care" of sick employees whatever the cause of their disability.

A point of interest in connection with the operation of the

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two railroad relief departments just described, is that while the benefits due the members by reason of their contributions do not include medical, surgical, or hospital care for any disability, the railroad companies give to the relief departments the duty of organizing and supervising the medical staff and facilities through which such service is provided to disabled employees at the expense of the companies.

One railroad relief department, that of the Atlantic Coast Line, has been classed in this study as a hospital association, for the reason that, in addition to paying cash benefits, it operates a hospital and conducts a medical service providing complete care to sick and injured members, as a membership benefit.