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Volume Author/Editor: Pierce Williams, assisted by Isabel C. Chamberlain

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Chapter Author: Pierce Williams

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CHAPTER XIII

TRADE UNION SICK BENEFIT FUNDS PROVIDING MEDICAL AND HOSPITAL CARE

THE number of American trade union members who secure medical, surgical or hospital care as a benefit of their membership in local or national unions, is negligible.

A careful canvass of national and international trade unions resulted in the discovery of only six plans by which local unions undertake to provide actual medical or hospital care to members disabled by sickness or non-industrial injury. One of these plans has already been described in Chapter V, in the section devoted to Wyoming. It will be recalled that in the bituminous coal mining industry of that state, the annual wage agreement between the United Mine Workers of America (District No. 22) and the coal operators, includes an arrangement whereby employers and employees contribute to a fund out of which the cost of medical service is paid. The service is administered by a joint committee in each company.

Another miners' union plan is also described in Chapter IV in the section devoted to Colorado. Silverton Miners' Union No. 26, affiliated with the International Union of Mine, Mill, and Smelter Workers, owns and operates the Silverton Miners' Union Hospital, at Silverton, Colorado. Each member of the union pays \$1.50 per month to the hospital, by means of an authorized payroll deduction, for non-compensation medical service. The Company adds 75 cents for each man, which pays for service for industrial injury cases.

The other four union organizations providing medical service to members on a group basis are as follows:

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1. New York Letter Carriers' Association, Empire Branch, No. 36, New York City.
2. Employees' Mutual Benefit Association, Milwaukee. This is an "Industrial Fraternal Union" having exclusive labor contracts with public utility companies operating in Milwaukee and environs.
3. Women's Local, Bureau of Engraving and Printing, Washington, D. C.
4. The Union Labor Benefit League, Los Angeles, California. This is a trade union organization having affiliated with it many Los Angeles local unions, whose members may secure medical, surgical and hospital service for themselves and their dependents by payment of a special monthly fee in addition to regular union dues.

These four plans will be discussed in some detail.

New York Letter Carriers' Association, Empire Branch, No. 36. This local union reports a total membership of 4,035 regular and substitute letter carriers employed in the New York City Post Offices who are eligible to receive the benefits of the association, in return for payment of dues of \$6 per annum. The scope of the medical care, and the nature of the arrangements entered into by the local union in order to provide medical care to members, are as follows: Five physicians are employed by the association to examine applicants for membership and to provide medical care for members residing in the Borough of Manhattan, one in the Bronx, one in Brooklyn, and one in Queens. Each physician receives a salary of \$600 per annum, with the exception of the physician for the Borough of the Bronx, who receives \$700 per annum, making a total amount of \$3,100 per annum paid out in salaries. In addition, each physician receives \$1 for each applicant for membership examined. Members may call at the office of one of these physicians at any time for consultation or treatment or may call the physician to visit them at their homes if unable to appear at the office. This service, however, does not include major operations. Hospitalization, including necessary operation

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and ward care is provided free of charge in five hospitals: St. Luke's, Presbyterian, Mt. Sinai, St. Vincent's, and Beth Israel. With the exception of one, beds in these hospitals have been endowed to this association by charitable friends of the letter carrier. As members of the Central Trades and Labor Council of Greater New York and vicinity, and by reason of donations the New York Letter Carriers' Association has made to the Medford Tuberculosis Sanitarium and the Union Health and Dental Center, its members are entitled to medical care at cost in these institutions.

Employees' Mutual Benefit Association of Milwaukee. As already pointed out, this association is in reality a trade union organization. Among the benefits offered are the following: Periodic health examinations; sick benefits (cash); dental service at cost; hospital benefit (cash); additional health, sickness, accident and life insurance at cost; free medical and surgical service for members and their dependent families; old age pensions; collective bargaining for wages, hours and conditions of labor; services of association nurse and advisory secretary; educational courses and recreational activities. The medical, surgical and hospital benefits may be summarized as follows:

Treatment (exclusive of the cost of prescriptions) by an Association physician, or a designated physician, at home, or at any hospital to which the member may be removed by order or with the approval of the Medical Director of the Association or an Association physician, during disability not due to compensable accident. The usual exceptions are made as to venereal disease, fighting, etc. The services of specialists are not included under the term "medical attendance." Attendance upon obstetrical cases for married female members and wives of members is a part of the service.

Members receiving necessary hospital care for a non-compensable disability are paid a hospital benefit of \$2 per day (maximum 100 days in any one year) for all days during which

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they were receiving and paying for care in a hospital or sanatorium approved by the Medical Director of the Association.

Dental service is provided at cost.

Nursing care by Association nurses is provided in serious illness and obstetrical cases. "Confidential" health examinations may be had by members, on voluntary application.

Cash sick benefits of \$1 per day (maximum 200 days) during non-compensable disability, and a death benefit of \$300 are also included in the regular benefit plan of the Association.

The city and its environs is divided into districts, with an Association physician in each district. During the day, a member in need of medical service notifies his foreman or department head, who will call the Association doctor. If he cannot be reached, the Association Medical Department is called. During the night, the member calls his district physician direct, or a special night service call number may be used. Each member is furnished with a list of Association physicians and instructions for securing medical attendance in ordinary or in emergency cases. Members may call at Association physician's offices at any time during regular office hours, for advice and treatment.

Women's Local Union, Bureau of Engraving and Printing, Washington, D. C. This local organization looks after its sick members through a hospital guild. All members of the union in good standing are eligible to belong to the guild. On January 8, 1931, the guild membership was approximately 200. The membership fee is \$1, the dues \$4 per year. In return for this contribution the member is entitled to three weeks' care in a semi-private (2-bed) room at a certain Washington hospital. The guild pays the hospital a lump sum of \$700 per year, to cover service which the hospital may be called upon to render to members. No extra payment is made, even if additional service is required during the course of the year. No physical examination is required for membership in the guild. This union also pays sick and death benefits and carries group life insurance for its members. A monthly fee of \$1 (separate from the optional

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contribution of \$4 per year to the hospital guild) covers this insurance.

Union Labor Benefit League, Los Angeles. According to a printed descriptive pamphlet received by the National Bureau, the Union Labor Benefit League is a voluntary, non-profit organization composed of members of trade union locals in Los Angeles and vicinity. It is organized for the purpose of "protecting trade unionists and dependent members of their families against undue suffering from sickness or injury." It is maintained, and all its services are rendered to its members, through a fund accumulated by payment of membership dues, and on that basis it proposes to be self-supporting.

The medical benefits offered members may be very briefly stated as follows: Medical care in the home, and at central medical offices; major and minor surgery; ear, nose, and throat specialist care; obstetrical service; clinical laboratory service; dental service when needed in conjunction with treatment for sickness; hospital care (after 90 days' membership); medico-legal service; other special benefits.

The foregoing services are stated to be rendered by "ethical, qualified, reputable physicians, surgeons, dentists and hospitals."

The formal arrangement by which the services are rendered is as follows: Each trade union local desiring to affiliate with the League accepts by vote of the members, a "Resolution-Agreement" which provides that all the medical benefits, described in brief above, shall be secured through the "National Protective Society, a non-profit corporation." Each member of the local who subscribes for the service agrees to pay the Society \$1.50 per month, and the financial secretary of the local is authorized to collect this amount each month from each subscribing member, and pay it over to the National Protective Society.

The resolution further authorizes officials of the locals to urge every new member to subscribe at the time of initiation; it also allows the National Protective Society the privilege of canceling the service after six months, on thirty days' notice; and finally,

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the resolution states that every member of the local who subscribes for the services of the National Protective Society "automatically subscribes to and accepts the Constitution and By-Laws of the Union Labor Benefit League."

Further inquiry brings out that the National Protective Society is a non-profit corporation, organized for the purpose of providing medical, surgical and hospital care to large groups of individuals and their dependents, for a stipulated sum per month. The "membership" is limited to industrial workers. All services are rendered by designated physicians, surgeons, dentists and hospitals.

While the Union Labor Benefit League pamphlet indicates that the plan is on a group basis, the actual agreement is between the individual member and the National Protective Society, as indicated on the subscription card, which reads as follows:

To Union Labor Benefit League:

As a member in good standing of (Name and Number of Local) I hereby subscribe for the medical, surgical, dental, and hospital services of National Protective Society, to be rendered to myself and dependent members of my family as specified in the Resolution-Agreement of the Union Labor Benefit League as of May 10, 1930. Receipt and acceptance of its terms I hereby acknowledge.

Please list the following as dependent members of my family who are to participate in the benefits through my membership:

Name Relation Age
.....
Signed
Address City

The Union Labor Benefit League medical service plan went into operation on January 1, 1930. On October 1, 1931, there were approximately 3,400 contributing members (exclusive of dependents), and the total amount received in dues from the inauguration of the plan was \$106,394. The total expenditures over the same period for medical, surgical and hospital service was approximately \$136,640; the number of separate claims paid was 28,000, averaging \$4.88 each.

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The scarcity in the United States of trade union plans which undertake to provide actual medical and hospital service to members does not imply that trade union sick benefit schemes do not play a relatively important rôle, along with industrial establishment sick benefit funds, fraternal societies, and commercial health and accident insurance companies, in protecting the worker's income against loss caused by sickness and accident.

In 1927-28 an investigation of the beneficial activities of American trade unions was made by the Bureau of Labor Statistics.¹ Of 96 American unions of nation-wide scope, the Bureau of Labor Statistics secured data from 78. Of this number, 63 were found paying benefits for death, 14 for disability, 12 for sickness. Eight unions were reported paying tuberculosis benefit or providing for institutional treatment of tubercular members. Two union organizations were found that maintain tuberculosis sanatoria in connection with their homes for the aged. In several instances, local unions affiliated with national unions paid sick benefit, thus providing additional protection to members desiring it.

In a majority of the sick benefit funds studied by the Bureau of Labor Statistics, all members in good standing are entitled to benefits by virtue of their membership in the organization, the cost being covered by the general trade union dues. In some cases, as for instance where insurance is provided by the union, the member may be required to take this protection, paying an additional amount to cover the cost.

Sick benefits paid by national and international unions varied from \$4 to \$10 per week, \$5 being the most common amount. The benefit period ranged from seven to sixteen weeks, thirteen weeks being the most common period.

Several national labor organizations have an insurance plan by which members may take out insurance covering death, accident, or sickness, or all of these, instead of, or in addition to, the regular union sick benefits. In the majority of unions from which

¹ *Beneficial Activities of American Trade Unions*, Bulletin 465, Bureau of Labor Statistics, Washington, September, 1928.

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data were secured, the insurance is written by a special insurance department of the union; in some cases, especially where group insurance is carried, this is secured from one of the two general union insurance companies—the Union Coöperative Insurance Association, organized by the International Brotherhood of Electrical Workers in 1924, or the Union Labor Life Insurance Company, organized by the American Federation of Labor in 1925. Both of these companies sell individual and group life insurance but no health or accident insurance.

AMOUNT OF TRADE UNION DISABILITY BENEFITS

In the report of the proceedings of the fiftieth annual convention of the American Federation of Labor (1930), under the heading "Benefit Services of National and International Unions," the following figures are given for sick and disability benefits paid out by affiliated unions and the four (unaffiliated) railroad Brotherhoods:

Sick Benefits	1928	\$2,377,746
	1929	2,831,936
Disability Benefits	1928	3,825,578
	1929	2,707,187

The report states that "in a few instances, these benefits include those paid by local unions affiliated with the national and international unions. However, in many instances, our national unions have no figures showing such payments. If it were possible to include all such payments, the total figures appearing here would undoubtedly be doubled."

The distribution by unions of the total of \$2,831,936 expended in 1929 for sick benefits by the various national and international unions and the four Brotherhoods, is given in the table on page 299.

It should be noted, however, that of the above total, \$2,548,394, or over 90 per cent, was expended by ten organizations, and that three of the railroad Brotherhoods together accounted for

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AMOUNT OF SICK BENEFITS PAID BY NATIONAL AND INTERNATIONAL TRADE UNIONS, 1929

Engineers, Brotherhood of Locomotive	\$ 97,232.89
Firemen & Enginemen, Brotherhood of Locomotive	859,267.58 ^a
Railroad Trainmen, Brotherhood of	513,111.23
Bakery & Confectionery Workers, Intl. Union of America	124,803.13
Barbers', Journeymen Intl. Union	235,249.55
Blacksmiths, Drop Forgers & Helpers, Intl. Broth. of	14,000.00
Boot and Shoe Workers' Union	57,756.78
Brick and Clay Workers of America, United	4,600.00
Carpenters & Joiners of America, United Broth. of	100,000.00
Clerks, Post Office, Natl. Federation of	51,961.74
Cloth Hat, Cap & Millinery Workers Intl. Union	5,304.00
Diamond Workers Protective Union of America	4,092.00
Engineers, Intl. Union of Operating	21,400.00
Intl. Photo Engravers Union of North America	29,012.50
Firemen & Oilers, Intl. Broth. of Stationary	12,685.00
Garment Workers Union, Intl. Ladies	17,084.50
Glass Bottle Blowers Assn. of the U. S. & Canada	4,500.00
Laundry Workers, Intl. Union	3,987.00
Leather Workers, United, Intl. Union	800.00
Letter Carriers, Natl. Assn. of	165,163.12 ^b
Mine, Mill & Smelter Workers, Intl. Union of	11,909.46
Molders Union of North America, Intl.	167,983.50
Pattern Makers League of North America	7,053.12
Plumbers & Steamfitters of the U. S. & Canada	161,010.00
Potters, Natl. Broth. of Operative	7,947.76
Quarry Workers, Intl. Union of North America	362.70
Railway Employees, A.A.A. of Street & Electric	124,576.10
Seamen's Union of America, Intl.	9,977.91
Tailors Union of America, Journeymen	13,029.00
Tobacco Workers Intl. Union	2,464.00
Wall Paper Crafts of North America, United	599.00
Wire Weavers Protective Assn., American	1,200.00
Total	\$2,831,936.82

^a Includes payments for disability and tuberculosis.

^b Includes disability benefits.

\$1,469,610, or 51.8 per cent of the total; further, the total amount reported by the Brotherhood of Railroad Firemen and Enginemen, namely, \$859,267, was for the care of members suffering from tuberculosis. In two other instances the total amounts reported include sums paid out to members as indemnification for total or partial disability. The total amount paid out for sickness benefit is thus considerably reduced.

No data are available (except as above) as to the total amounts

paid out by local unions in the United States in monetary benefits for sickness. The weekly benefits paid, and the number of weeks during which benefits are paid by local union sick benefit funds, conform, in general, to the plans of the national funds.

The relatively few American trade unions which have sickness insurance funds have in general confined their benefits to the payment of cash indemnity to cover loss of regular earnings. One international labor organization which goes beyond this to the extent of paying an additional monetary benefit to help the member defray the expense of medical care in case he has undergone an operation is the Brotherhood of Locomotive Engineers. Through the Locomotive Engineers' Mutual Life and Accident Insurance Association, this union offers life, indemnity and sickness insurance. Sick benefits provide an allowance of two weeks' benefit in the event a surgical operation is performed, and an additional three weeks' benefit for hospital care in the event the insured member is confined in a hospital for 21 days or longer. If he is confined in a hospital less than 21 days he is allowed hospital benefit for the actual number of days so confined. Surgical and hospital benefits are paid in addition to the regular weekly benefits. The Order of Railway Conductors, the Brotherhood of Locomotive Firemen and Enginemen, and the Order of Railway Mail Clerks, offer accident insurance only. Many of the local lodges affiliated with the national railroad brotherhoods provide limited monetary benefits to members to apply on the expense of hospital care necessitated by an injury or sickness arising outside the line of duty, and for which the railroad company does not assume responsibility. The reader will recall that many of the trunk-line railroad systems of the United States have employee hospital associations, membership in the association assuring the employee of hospital care arising out of "duty" or "non-duty" injury or sickness. These employee hospital associations are not officially connected with national or local railroad unions.

Note. The Union Health Center, New York. This institution is not considered in detail in this report because it operates on the coöperative, rather than the insurance, principle.

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According to its report for 1930, "The Union Health Center is a self-paying non-profit organization. Fees from \$1 to \$1.50 are charged members of affiliated unions and an additional small charge is made members of non-affiliated unions. Unemployed members of affiliated unions get free treatment at the request of the secretaries of their unions. Indigent persons, regardless of affiliation, are treated free, time and space permitting."

The Center states that its aim "is to give health information to and spread health education among workers and to render medical and dental services to members of organized labor and their families, at rates conforming to their incomes." The facilities of the Union Health Center are open to all members of organized labor, and a number of additional labor organizations have become affiliated with it. Many unions demand a medical certificate from every applicant for membership. These medical certificates are given after a thorough physical examination in the Union Health Center. The Union Health Center also has charge of the certification for cash sick benefits of members of those unions that have sickness insurance. Its district physicians are sent to the homes of those who are sick and unable to work. This service is either at the expense of the union, or it is given without charge. The Health Center physicians give treatment only when no other physician is in attendance. Diagnosis and certification for tuberculosis benefit are also given by the Union Health Center. General and special clinics are regularly held at the Center.

At the Health Center's own pharmacy, prescriptions are compounded for sums ranging from 25 to 50 cents each. Insulin and other drugs are sold at minimum rates.

The dental department of the Union Health Center is the largest industrial clinic in New York. It aims to provide honest work at reasonable charges to those most in need of it.

An official of the Center states that it would be willing to undertake the provision of medical care to members of affiliated unions, on an insurance basis. Presumably, the local union making the arrangement would offer to its members medical care by the physicians of the Health Center as a special benefit, in consideration of an additional monthly fee paid to the local union. (See, for example, the Union Labor Benefit League, Los Angeles, page 295.) The Center would be remunerated for its services to individual members by the union, not by the member. As late as November 1, 1931, however, no such plan was in operation.