

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: The Purchase of Medical Care Through Fixed Periodic Payment

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

Volume Publisher: NBER

Volume ISBN: 0-87014-019-1

Volume URL: <http://www.nber.org/books/will32-1>

Publication Date: 1932

Chapter Title: Preface

Chapter Author: Pierce Williams

Chapter URL: <http://www.nber.org/chapters/c6503>

Chapter pages in book: (p. -13 - -11)

P R E F A C E

THE Committee on the Costs of Medical Care was organized in 1927 by a group of leading physicians, public health specialists and economists, in order to study a problem which, according to Secretary Olin West of the American Medical Association, is the great outstanding question before the medical profession today. This is "the delivery of adequate scientific medical service to all the people, rich and poor, at a cost which can be reasonably met by them in their respective stations in life." The primary purpose of the Committee is to formulate a comprehensive series of studies on the economic aspects of medical service, and to execute these studies with the aid of various interested research organizations.¹

In the autumn of 1929 the Committee invited the National Bureau of Economic Research to make a survey of the extent to which the people of the United States make use of the principle of insurance in order to secure medical and hospital care.

The emphasis placed by the Committee on medical and hospital care "in kind" explains why accident and health insurance receives only minor consideration in this investigation. The standard "benefit" under individual and group health insurance policies issued by commercial companies in the United States is the payment of a stipulated amount of money in a certain number of instalments as indemnification for loss of earnings. Certain types of policies also provide for payment of a fixed amount to the insured to help him defray the expense of medical care actually received.

The report which follows describes in detail several plans by

¹ For a more detailed statement of the origin, scope and aims of the Committee's work, see *The Five Year Program of the Committee on the Costs of Medical Care, adopted February 13, 1928*. Publication No. 1. Washington, D. C.

PREFACE

which individuals, in consideration of a fixed amount paid periodically to some organization, are assured of medical or hospital care from that organization, in case of incapacity due to injury or disease not already covered by workmen's compensation laws. As the reader doubtless knows, laws in force in all states of the Union, excepting Arkansas, Florida, Mississippi and South Carolina, require employers to provide medical care to employees injured while at work. The security which the employer is required to furnish for the payment of compensation and the provision of medical care to injured employees amounts practically to compulsory group industrial accident insurance. Workmen's Compensation is discussed in this report only insofar as the administration of the law in several states is intimately related to the provision of medical care for non-compensable causes in certain industries.

Funds for this study were provided jointly by the Committee on the Costs of Medical Care, the Social Science Research Council, and the National Bureau of Economic Research.

METHOD OF INVESTIGATION

The material presented in this report was gathered chiefly by correspondence, the limited funds available not permitting of extensive field work. Published reports yielded little about plans of fixed payment medical service or medical and hospital insurance, as distinct from plans of "income protection." Visits by the authors to coal mining and industrial centers in the states of Pennsylvania, Illinois, West Virginia and Alabama, and personal interviews with railroad officials in eastern cities and Chicago, brought out additional information. Secretaries of county medical societies and workmen's compensation officials in many states supplied valuable information about industrial plans of employee group medical service. To these officials, to heads of mining companies, to trade union officials, to state and county medical society secretaries, the thanks of the National

PREFACE

Bureau are hereby tendered for assistance rendered. Special acknowledgment is made to the directors of the Seattle Community Fund for the valuable services of Miss Arlien Johnson, assistant secretary, who gathered much of the information about the system of employee group medical service in operation in the state of Washington. The final chapter, dealing with accident and health insurance, is the work of William H. Wandel.

The National Bureau of Economic Research takes no position as to the relative efficiency, from the medical standpoint, of any of the plans of service described in this report. Appraisal of the quality of the medical service rendered under the various plans was beyond the scope of this investigation.

PIERCE WILLIAMS

New York City
June, 1932