

# Do We Want to Pay the Health Insurance Bill?

Frank F. Dresser Says Proposed Measure Would Give Country a Small Return in Bettered Health for a Tremendous Outlay

By George MacAdam.

HERE is another big burden—estimated at hundreds of millions of dollars annually—which it is proposed to put upon the already overloaded shoulders of the Ultimate Consumer. And, like so many other of his burdens, this new one would be of legislative manufacture. During the present open season for lawmaking, bills of a standardized pattern have been or will be introduced in the Legislatures of more than twenty States—all the big manufacturing States of the Union—which, if enacted, will greatly increase the tax rate and add an untold amount to the cost of production in all lines of industry.

This proposed burden bears a catching label: "Health Insurance." And those who are urging it upon us have much to say in its favor, much that is in harmony with the collectivist theories popular with so many of the present generation. Their arguments may be summarized as follows: That there is a wage loss due to sickness of six hundred millions of dollars annually; that the great majority of wage earners are living so close to the poverty line that they cannot bear this loss themselves nor can they provide against it through the present channels of protection—benefit societies, lodges, trade unions and the like; that the most important duty of society today is better to distribute this loss

through compulsory sickness insurance; that the operation of compulsory sickness insurance will prevent disease and improve the health and general well-being of the nation, and that, therefore, society as a whole should help pay the insurance bill.

Inspired by these conclusions, the American Association for Labor Legislation, an organization of social reformers, drafted a bill which was introduced last year in the Legislatures of New York, Massachusetts, and New Jersey, and which, with some additional alterations in detail, will be again introduced in those States and in some twenty other States during the present season.

The essence of this measure is that "all manual workers and all persons working for wages of \$100 a month or less" shall, in case of any illness or non-industrial accident, receive two-thirds of their wages, beginning with the fourth day of disability and continuing, if necessary, twenty-six weeks. In addition, they shall receive medical attention for the entire period of disability. In case of death a benefit of \$50 shall be paid. The cost of all this shall be paid one-fifth by the State, two-fifths by the employer, and two-fifths by the wage earner, the latter's contribution being deducted from his weekly pay by his employer.

It is interesting to note that the enactment of this bill is opposed by both labor and capital. In the present period of industrial stress and strain, one of the

few things in which labor and capital have agreed is in their opposition to this measure. Another group directly interested, the physicians, a few days ago officially condemned the scheme, the Society of Medical Jurisprudence, after receiving the report of a special committee which had devoted several months to investigation, voting to oppose any effort at the present session of the Legis-

lature to pass such a bill. At its recent convention in this city the National Civic Federation also went on record as against the measure.

There is perhaps no one in this country better qualified to discuss this question than Frank F. Dresser, a prominent member of the Massachusetts bar, who has made a careful study of employers' liability laws (he is the author of an

authoritative work on the subject) and the different aspects of legislation as it affects employer and employe.

Sitting in his office in Worcester, Mass., Mr. Dresser picked "Health Insurance" to pieces for me; and then having demonstrated why, in his opinion, the proposed measure would give the country a very small return in bettered health for its tremendous outlay of money, he outlined a constructive program which he believes would give the country "much more health for much less money."

"It is self-evident," said Mr. Dresser, "that well and able-bodied citizens are the strength of the State and that well employers and well employes add to the strength of an industry."

"Let us look over the path laid out by the American Association for Labor Legislation in its proposed bill."

"First, we will consider the cost, not the most important but always a material item in any scheme which is to be worked out practically. The data in this country are of the vaguest description; and such foreign data as are available are difficult to transpose into our terms. We know that the German costs have been rising steadily since 1884, and that the peak of expenditure is not yet reached, that the days of sickness per insured have increased rather than diminished, and that the duration of illnesses has lengthened remarkably. A similar condition is observed in other countries having an insurance system."

"It has been computed, arguing from German and British experience, that the cost of sickness, medical and funeral benefits, including administration costs, but excluding, apparently, any contribution to reserves and the quite considerable sums which employers must in the first instance pay for their accounting department, would be between the limits of 3 and 5 per cent., say about 4 per cent., of wages."

"If we apply this 4 per cent. of wages to a single State, say Massachusetts, assuming the average wage to be \$570 a year and that there are about a million persons who would be insured, the cost to Massachusetts is about twenty-three million dollars annually. Of this the workman would contribute nearly nine million, the employer nine million, and the State about five million, an increase of our present State tax by over 40 per cent."

"The proposed benefits and the consequent cost are at the minimum, but experience shows that, once the bill is enacted, the extension of its benefits will become a political slogan and their cost an ever-increasing burden."

"In spite of the common belief that the State and the employer have, just under the Treasurer's desk, a hidden stock of gold which if it can be got at will prove inexhaustible, these contributions will not remain where they first fall, but be passed on. The State's contribution as well as its payments as employer of State and municipal employes is raised by the general levy upon all taxpayers. The employer's contribution plus his increased State and municipal tax will become an item in his cost of production to be charged, so far as is possible in the competitive rivalry of the several States, in the price of his product and paid by the consumer or else be saved by greater economy, as, for example, reducing wages."

"A great portion of the consumers are the insured workmen and their families who thus, besides their own direct contribution will indirectly bear, in the increased cost of necessities or in lesser wages, a large proportion of the contribution of the employers and the State. In this, therefore, as in so many similar proposals, it would seem that the class which it is hoped to benefit is simply set to chasing its own tail again."

"But now to come to the chief objection to the measure—its failure to disclose responsibility for conditions which may produce illness and to assess the cost of them where it belongs. It must be remembered that this bill protects the insured in the event of any illness or any non-industrial accident, (the workmen's compensation law already providing for industrial accidents.) It is difficult to see why, if a man is run over by an automobile on Sunday afternoon, he should get any contribution from his employer because he happens to work in his mill the other six days a week, or why alcoholism or venereal disease should operate to transfer any money from the taxpayer's pocket to the workman's."

"Obviously the bill cannot be legally

justified on the ground merely that some class in the community needs the money, and, therefore, another class must pay it. The employer's contribution must rest, and can only validly rest, upon his responsibility for the condition to be relieved as distinct or different from the responsibility of other classes in the community."

"Now, if it is true—which I doubt—that our wage earners lose on account of sickness an average of nine days per year, the consequent annual wage loss of \$600,000,000 is imposing. But there is an equally great wage loss through voluntary absences or absences caused by intemperance, by ball games, by the many personal reasons. I have made inquiry in this subject and am told that these voluntary absences equal substantially the combined absence and wage loss of both sickness and industrial accident. Such voluntary absences seem, nevertheless, to be undertaken and their wage loss to be borne. And yet, in spite of these three substantial elements in wage loss, about three-fourths of the wage earners, it is said, now carry insurance of some sort. The need of charitable relief, therefore, is found not among all wage earners, but only among a portion."

"Keeping this fact in mind, it must also be remembered that the framers of this bill have used the device of making the employer the insurance collector, because that is the only practical way of making the insurance compulsory, and without compulsion the thrifless would remain just what they are today—the uninsured. But this necessary device of making the employer an insurance collector limits and must always limit the scope of the measure to those who are employed, to those, in other words, who are efficient enough to get and keep some sort of a job. But those who are so incapable or so unfortunate that they cannot hold a job—the unemployable, the casual worker, the aged—are not covered at all."

"Moreover, this bill does not cover the large class of self-employed—the small farmer, the small shopkeeper, the charwoman, the huckster, the journeyman, the home worker—whose struggle is as hard and whose risks are as great as those of the wage earner for whom insurance would be provided. Then there are also certain of the professional classes, the doctors, lawyers, clergymen, and teachers, since the average earnings in these professions are well under \$1,000 a year."

"In addition to all this, the bill does not cover the families of wage earners, nor, save for a limited period, does it cover the wage earner himself when he becomes unemployed and so subject to a greater hazard of illness. Under the proposed measure, a workman may have his two-fifths contribution to the insurance fund deducted for years, but let him lose his job and after a limited period his claim on the fund is forfeited."

"The next objection to the measure lies in the very troublesome problem of supplying adequate medical care, to those who need it, at a proper cost."

"The proposed bill, by leaving the choice of physicians that might be employed to the local associations, gives to untrained boards of employers and employes, equally ignorant of the necessities, the decision on a matter which is almost the crux of the whole situation, for if health insurance is to be successful at all, it must involve more competent and more general medical care than we are now accustomed to. It has been said that 'there is perhaps a distance of a quarter of a century between the present status of medical science and that of medical practice among the poor.' There is nothing in the measure as proposed which would tend to raise the standard of general medical practice, nothing that would tend to bring the latest discoveries and achievements of medical science within reach of the poor man."

"Moreover, the watchword of medical science today is 'Prevention.' The proposed bill itself and the cost of it does not include preventive work."

"Then there are certain lines of direct attack."

"In certain employments there is undoubtedly a sickness loss which is due to that employment. It is now possible to list as strictly occupational diseases twenty-five or thirty ailments, such as lead poisoning or phosy jaw. These are indistinguishable in principle from the work accident. They are occasioned solely by the industry, should be considered a cost of production and be compensated without contribution from the

worker. This extension of the compensation law would put the cost of a certain class of diseases where it belongs, and to that extent would relieve the workmen."

"Such an extension would not, however, affect directly the greater loss occasioned by diseases to which the public at large is subject and to which a particular employment may or may not contribute. Tuberculosis may be instanced. To determine the influence of an occupation as distinct from the heredity, the habits, the environment, or other circumstances of the worker, upon any one of these many diseases is a matter of extreme difficulty in any one case; and this renders it impracticable to bring them under the Compensation act."

"But it is not impracticable to determine whether certain conditions in a particular establishment are apt to have an evil effect upon the normal worker. So far as they exist it is the employer's own duty to eliminate them, and this duty is even now being undertaken. Half a dozen years ago the industrial physician was unknown. Within the last two years he has so rapidly increased that he is establishing almost a profession of his own."

"Certain conditions not peculiar to an industry but to the plant—its dirt, ill ventilation, poor sanitation, bad conditions of labor, and the sort—may present their own specific risks. It is the duty of the industrial physician to know as an expert the health hazards of his own establishment, whether factory, store, or railroad, and to advise as to means of their elimination."

"When a worker seeks employment his physical condition may be such as to make employment in one process or room harmful to him above the normal risk, while in another he may safely work. It is the duty of the industrial physician to discover his physical condition and to place him in the job that he can do most efficiently and with least risk. If upon physical examination a defect is found, the worker may be advised of it and have it remedied. By re-examination from time to time, and by change of occupation, if necessary, the personal health hazard may be detected and cured."

"Time lost from work means a loss of production to the employer and a loss of wages to the employe. If illness can be detected in its beginning, and checked, if the half-sick man can be put in the way of cure, less working time is lost, and the profit to employer and employe is evident. It is, therefore, the duty of the physician to discover and remedy ailments at the plant, and in doubtful cases to obtain diagnosis. Thus the worker who, left to himself, might have no attention whatever, or inadequate attention, gets prompt and adequate service. It does not take him long to learn the value of that and to see that he and the persons dependent upon him obtain it."

"Such service is now provided for not only by many large employers but by an increasing number of small ones who, if they have not work enough for a full-time man, combine in employing a physician. There are always, however, reactionaries, and these men should be compelled to bring their plants and their employes under the supervision of an industrial physician."

"For employes and for their families some other measures are also necessary. This is to be found in the improvement, organization, and extension of medical care. It must be recognized that it is no longer possible for the practitioner to keep up with the advances in every field. The surgeon, the physician, the pathologist, the doctor of preventive medicine and the industrial physician are separate lines of endeavor subdivided innumerable by those who devote themselves to the study of a single organ or a single disease. Proper diagnosis and the consequent advice now frequently depend not upon the judgment of one doctor, however competent, but on difficult tests and on the opinion of specialists."

"The State and the municipality now provide hospitals for general and special diseases and officials charged with the oversight of public health. It is not an inconceivable extension of this service for the State to establish clinics, as has lately been done by the Massachusetts General Hospital, in convenient districts, with all necessary equipment and facilities, at which specialists should attend for consultation, with which physicians practicing in the vicinity should be connected, where the quality of their work

could be known and to some extent supervised, and where the illness in the district could be registered."

"Such organization and co-operation of general practitioners and specialists with proper diagnostic facilities would bring the best and most complete medical service within the means of all people."

"Moreover, by requiring all illnesses to be registered at these clinics the health hazards of the district would be more known and steps directed to their remedy."

"The cost of this service would be considerable, but it would be less than any system created by health insurance, and far more effective."

"Its cost would be borne by the State without contribution from any class, since the community at large receives the benefits. It does not contemplate free medical attention to any, save the poverty-stricken, who now and always must receive it. There is no greater reason for giving free medical service than free food. But, though it will not be free, the workers will not contribute directly to its maintenance, nor indirectly in the greater price of other necessities, as health insurance requires. It is a question of better, wider, and less expensive service, not charity."