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DISCUSSION OF PRECEDING PAPER

THOMAS B. MORRISON:

After having mentioned that the British Columbia Blue Cross plan retired from business upon the introduction of the state plan Mr. Eckler remarked: "This was inevitable. It is difficult to see how private voluntary insurance financed entirely by premiums could continue beside a subsidized state plan." It seems to me that in its implications this obvious truth encompasses the whole gamut of the state versus private insurance argument. If the principle of state hospital insurance is accepted in its entirety it is natural that the plan should be compulsory and that the state should subsidize any operating deficits. However, there is a wide range of opinion as to what the state might or should do to subsidize hospital construction and operation, short of acceptance of the complete principle of state insurance.

When one gives consideration to the level of the provincial subsidy in Saskatchewan, for example, it is well to remember that a significant part of the outlay would have been incurred by the province, even without the state hospital plan, because of earlier commitments. Examples of these are: (1) a program of grants to hospitals on a per diem basis per patient which had begun in 1906; (2) a program of free hospital and medical care for recipients of provincial public assistance, dating from 1945; and (3) free hospitalization for all cancer patients of the province, dating from 1944. In addition to subsidies such as mentioned and others, there can be a program of grants in aid for hospital construction; indeed, such a program was announced by the Dominion Government in 1948.

In addition to the tables shown by Mr. Eckler it would have been interesting to have had a table showing the percentage of total hospital care by age group. This would be of help in comparing results under state versus private plans and also under the two provincial plans. Table 3 might lead one to the conclusion that Saskatchewan provided considerably greater benefits than British Columbia for the older age groups, but the true financial effect at these ages would be more clearly revealed in terms of total benefits provided by age groups. The larger proportion of older citizens in British Columbia than in Saskatchewan is illustrated by figures taken from the *Canada Year Book 1951*, as shown on the following page.

Both the Saskatchewan and British Columbia provincial plans have been in operation too short a time for any final pattern of experience to

emerge. The Saskatchewan plan might almost be termed the pilot plan for state hospital insurance in North America. As a result it attracted to it a few able planners and administrators who probably are partly responsible for its early success.

However, sparse population and economic conditions in the province are such that it would have been difficult to achieve the expansion of services and improvement in hospital facilities in a comparable time in any other way.

PERCENTAGE OF PERSONS AGE 70 OR OVER TO POPULATION

Year	British Columbia	Saskatchewan
1949	5.70%	4.03%
1950	6.02	4.29

Mr. Eckler is to be congratulated for having given us an interesting and informative paper, and for successfully maintaining his presentation on a factual plane.

W. RULON WILLIAMSON:

Mr. Eckler's informative paper shows some of the outlays for one branch of medical care, clinging to the word *insurance*, when the *uninsurable* are protected.

Much of the discussion of Federal intervention in handling medical care assumes that the word *insurance* can be applied to *relief* situations; and in the United States there is even willingness to let the *word* stretch to the coverage of aged indigents, where the taxpayers, Federal and State, "contribute" to a voluntary hospitalization scheme, to add another complexity to a many-sided "house of protection."

In the United States we have Public Assistance in operation, with 11 states granting medical care—hospitalization, surgical benefits and doctors' attentions. This went into operation in 1950. The change in the 1950 Amendments was the permission to the state agency to pay directly to doctors, surgeons, hospitals, etc., the former policy paying only to the beneficiary. The August 1952 *Social Security Bulletin* outlines the expenditures for medical service in Public Assistance under the former regime.

There seem presented under these various examples the arrangements under which the relief moves over to "insurance" in several moves, avoid-

ing the classification of who pays, who gets, and the extent of the broad sharing involved.

Mr. Eckler shows that it is the chronic cases among the old who pose the problem.

Life insurance in the United States seems half taken over by the Federal Government, with an extremely modest cost recognition. We can watch the steps of the State dealing with various forms of medical care. Mr. Eckler's paper suggests how the old age and the medical care plans join forces.

(AUTHOR'S REVIEW OF DISCUSSION)

SAMUEL ECKLER:

I appreciate the observations and kind remarks on my paper made by Messrs. T. B. Morrison and W. R. Williamson.

Mr. Morrison reminds us that in Saskatchewan only part of the government contribution or subsidy to the Hospital Services Plan is an additional cost of government since many items of government expenditure were eliminated with the introduction of the hospital plan. A comparable statement can be made about the government contribution of the British Columbia Hospital Insurance Plan.

I agree with Mr. Morrison that a table showing the cost of hospital care by age would have been very useful. These figures were not available. However, if we assume that the per diem hospital payments shown in Table 5 do not vary by age (this is a questionable assumption), the comparison of hospital benefits by age between the Saskatchewan and British Columbia and any other plans can be estimated from Table 3; for example, in the year 1950, the cost per covered person in the age group 70 and over would then be $42.51 in British Columbia and $51.41 in Saskatchewan.

Since the preparation of this paper, a few changes have been made in the British Columbia plan by a new government elected June 1952 in an election in which the state hospital plan was undoubtedly one of the major issues. Effective July 1, 1952, premiums were reduced for single persons from $30 to $27 per annum and for a head of family from $42 to $39 and, effective August 9, 1952, the coinsurance charge was changed to $1.00 per day per person without a maximum limit of any kind. Starting September 26, 1952, the definition of dependent of a head of family was broadened to include certain classes of brothers, sisters and in-laws.