

Analysis of

HEALTH AND INSURANCE PLANS UNDER COLLECTIVE BARGAINING, LATE 1955

- **Life Insurance**
- **Accidental Death and
Dismemberment**
- **Accident and Sickness**
- **Hospitalization**
- **Surgical**
- **Medical**
- **Maternity**

Bulletin No. 1221

**UNITED STATES DEPARTMENT OF LABOR
James P. Mitchell, Secretary**

**BUREAU OF LABOR STATISTICS
Ewan Clague, Commissioner**



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Preface

Protection against the economic hazards of off-the-job injuries, illness, and death through voluntary group programs, financed in whole or in part by the employer, constitutes a relatively new and highly valued part of the compensation received by workers in the United States. Trade union interest in health and insurance programs has been a major force in the growth of these voluntary insurance plans.

Although unions have long been concerned with the health and security of their members and have provided some protection through union-sponsored beneficial programs, the past 12 years have witnessed a phenomenal growth of prepaid programs under collective bargaining agreements. In 1945, an estimated half million workers were covered by these programs. By mid-1948, this figure exceeded the 3-million mark. Two years later, about 7 million workers were receiving some type of health and insurance protection under collective bargaining agreements. In early 1954, over 11 million workers—approximately 70 percent of all workers under labor-management contracts—were provided with at least 1 type of health and insurance benefit. By the end of 1956, it was estimated that in excess of 12 million workers were covered.

During the early stages of this development, unions concentrated mainly on negotiating new plans, bringing existing plans within the scope of the agreement, clarifying the legal aspects of bargaining on the subject, and dealing with the many new and formidable technical problems inherent in the establishment of plans. Although collectively bargained plans have continued to spread during recent years, attention has been increasingly centered on broadening the coverage of existing plans to include dependents and retired workers, adding new benefits, and increasing the level of benefits.

In response to public and governmental needs for information in this field of industrial relations, the U. S. Department of Labor's Bureau of Labor Statistics has, since 1945, prepared a number of studies dealing with health and insurance plans under collective bargaining. These studies include: Periodic reports on the overall growth of employee benefit plans under collective bargaining agreements, including data on methods of financing and types of benefits provided; reports providing details on the types and amounts of benefits provided for selected industries; summary digests of selected programs; and changes in programs of major companies. The Bureau also maintains a file of selected plans for public use, as provided by section 211 of the Labor Management Relations Act, as amended. In addition, data on the prevalence of health and insurance benefits have been obtained in the various wage surveys undertaken by the Bureau.

As part of this continuing program, the Bureau, in 1955, undertook a detailed statistical analysis of the provisions of 300 selected health and insurance programs under collective bargaining, each covering 1,000 or more workers. The results of this study, as presented in this bulletin, reflect the most comprehensive and penetrating analysis made by the Bureau to date in this particular field. The complexities of health and insurance programs and the great variety of provisions presented many new and difficult technical problems, including the necessity of devising a procedure for coding and machine tabulation of the statistical data. This bulletin presents detailed statistics on plan provisions and relatively brief summarizations of the statistics; it does not purport to represent a guide or textbook on health and insurance plans.

This study was conducted in the Bureau's Division of Wages and Industrial Relations under the supervision of Evan Keith Rowe, who prepared this report with Dorothy Kittner Greene. Harry E. Davis and Harry L. Levin also participated in the analysis of plans and in the preparation of the report. This study was under the general direction of Joseph W. Bloch, chief, Branch of Industrial Relations Analysis.

Note on Changes Since Late 1955

Health and insurance plans are fluid programs, in the sense that the types and levels of benefits are subject to relatively frequent change. All plans included in this study were in effect in late 1955. As best the Bureau can determine from an examination of settlements reported in its monthly report on Current Wage Developments, probably about 80 percent of the plans studied had not been changed in any respect by mid-1956, and a majority had not been changed by the end of 1956. The Bureau has no means of readily determining the extent to which changes negotiated in 1956 and 1957, some of which were minor in character, would alter the central tendencies reflected in the tabulations presented in this bulletin. The major purpose of this study, it must be emphasized, was to provide a benchmark against which future changes in collectively bargained plans can be measured. It is expected, moreover, that the availability of data of this type for the first time will in itself fulfill an urgent public and governmental need.

The Bureau is now bringing up to date its 1954 Digest of One Hundred Selected Health and Insurance Plans Under Collective Bargaining (BLS Bull. No. 1180). The new Digest, which will be available in the Spring of 1958, will provide the details of current plans. Meanwhile, some indication of the frequency and nature of the changes being made in major plans may be obtained from the Bureau's monthly report on Current Wage Developments.

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Analysis of Health and Insurance Plans Under Collective Bargaining, Late 1955

Major Features of Health and Insurance Plans

Health and insurance plans normally include one or more of the following types of benefits: Life insurance, accidental death and dismemberment, accident and sickness (excluding sick leave, State workmen's compensation and temporary disability payments),¹ and hospital, surgical, and medical care. Some plans contain special benefits which supplement the allowances normally provided for hospital, surgical, and medical care (i. e., basic plan benefits). Among these special benefits are those provided for poliomyelitis and accidental injury and during extended periods of illness (catastrophe or major medical). These special benefits, as well as the provisions under the basic plan applying to maternity cases, are treated separately in this study.

This section describes the scope and method of study and the nature of health and insurance plans as a whole, including the subject of financing. In subsequent chapters, each of the individual benefits is analyzed.

Scope and Method of Study

For this study, the Bureau analyzed 300 selected health and insurance plans under collective bargaining,² in effect in late 1955. The plans were selected to provide a broadly representative picture of health and insurance benefits under programs covering 1,000 or more workers. In this selection, the factors given primary consideration were industry, geographic location, union, type of bargaining unit, and size (as measured by worker coverage).

The 300 plans studied covered 4,981,000 workers or over 40 percent of the estimated total number of workers covered by health and insurance plans under collective bargaining (table A-1).³ The plans varied in coverage from the minimum of 1,000 workers chosen for this study to half a million. One-third of the plans, covering over two-fifths of the workers, were negotiated by multiemployer groups. Slightly more than two-thirds of the plans, covering about the same proportion of workers, were in manufacturing industries. Virtually every major manufacturing and nonmanufacturing industry group was represented in the selection (table A-2).

Types of Benefits Studied.—Life insurance benefits are provided as either a flat amount; an amount graduated according to earnings, service, occupation, etc.; or a combination of these two methods of providing benefits. Each type provides a cash payment in the event of death and frequently in the event of permanent and total disability.

¹ At the time of this study, 4 States had enacted temporary disability legislation.

² The meaning of the phrase "under collective bargaining" as used in this study requires a brief examination. Many employers and unions independently sponsored and financed insurance plans for many years before they came under collective bargaining and a large number of workers are now covered by plans that are not collectively bargained. Many of the programs now under collective bargaining were originally instituted by the employer and subsequently brought within the scope of the agreement with or without change. Similarly, union sponsored and financed programs have been brought within the collective bargaining area, with the employer paying all or part of the cost. For the purpose of this study, plans under collective bargaining include: (1) Those established for the first time as a result of collective bargaining; and (2) those originally established by either employer or union but since brought within the scope of the agreement, at least to the extent that the agreement establishes employer responsibility to continue or provide certain benefits.

³ Throughout this bulletin, all coverage data relate to the number of active workers covered by the plans. For example, when reference is made to dependent coverage, the extent of such coverage is expressed in terms of the number of active workers covered by plans which extend or provide the specified benefits for dependents. No attempt was made to determine the number of dependents, retired workers, or dependents of retired workers covered by the plans in this study.

TABLE A-1.—Health and insurance plans: Distribution of plans studied by workers covered, industry division, and type of bargaining unit

Workers covered	All industries						Manufacturing				Nonmanufacturing			
	All plans		Single employer		Multiemployer		Single employer		Multiemployer		Single employer		Multiemployer	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans studied	300	4,981	200	2,822	100	2,159	179	2,726	39	671	21	97	61	1,487
1,000 to 2,000 workers	42	59	33	46	9	12	28	39	4	6	5	7	5	6
2,000 to 3,000 workers	41	97	25	61	16	36	20	49	4	10	5	12	12	27
3,000 to 4,000 workers	42	138	29	95	13	44	27	88	5	16	2	6	8	27
4,000 to 5,000 workers	23	99	15	65	8	34	12	52	5	21	3	13	3	13
5,000 to 7,000 workers	32	186	21	120	11	66	18	104	6	37	3	16	5	29
7,000 to 10,000 workers	25	203	18	145	7	58	18	145	2	17	-	-	5	41
10,000 to 15,000 workers	32	374	19	224	13	151	18	213	6	71	1	11	7	80
15,000 to 25,000 workers	25	451	19	343	6	108	17	311	1	15	2	32	5	93
25,000 to 50,000 workers	22	749	12	418	10	331	12	418	2	63	-	-	8	268
50,000 to 100,000 workers	5	329	3	194	2	135	3	194	2	135	-	-	-	-
100,000 workers and over	11	2,296	6	1,112	5	1,184	6	1,112	2	281	-	-	3	903

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

TABLE A-2.—Health and insurance plans: Distribution of plans studied by industry group

Industry group	Plans	Workers (000's)	Industry group	Plans	Workers (000's)
All plans studied	300	4,981	Manufacturing - Continued		
Manufacturing	218	3,397	Machinery (except electrical)	24	179
Food and kindred products	16	145	Electrical machinery	14	254
Tobacco manufactures	2	7	Transportation equipment	25	1,018
Textile mill products	12	49	Instruments and related products	8	31
Apparel and other finished textile products	6	433	Miscellaneous manufacturing	8	40
Lumber and timber basic products	3	44	Nonmanufacturing	82	1,584
Furniture and finished wood products	5	58	Mining—crude petroleum and natural gas production	5	295
Paper and allied products	13	44	Construction	16	165
Printing and publishing	6	24	Transportation	21	812
Chemicals and allied products	9	83	Utilities: Electric and gas	10	33
Petroleum and coal products	8	81	Retail and wholesale trade	13	90
Rubber products	7	122	Hotels and restaurants	5	56
Leather and leather products	11	68	Services	10	127
Stone, clay, and glass products	10	77	Miscellaneous nonmanufacturing	2	5
Primary metal industries	20	563			
Fabricated metal products	11	79			

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Accidental death and dismemberment benefits also provide cash payments and are generally linked to the amount of life insurance in effect for the individual. This form of insurance may cover occupational in addition to nonoccupational cases.

Accident and sickness coverage provides payments to compensate partially for the loss of wage income for a specified period—usually a certain number of weeks for each disability or during the year. It generally applies to accidents and illnesses arising off the job; some plans also cover occupational cases, supplementing workmen's compensation. Unlike other benefits which may be extended to dependents and retired workers, this benefit is available only to active workers because it is dependent upon an employment relationship. Paid sick leave, State workmen's compensation benefits and temporary disability payments from State operated plans are not analyzed in this study.⁴

Hospitalization, surgical, and medical care benefits seldom are available for other than nonoccupational disabilities.⁵ These benefits are provided in two major forms—cash or service. Cash plans provide stipulated amounts toward the charge made to the individual for hospital room and board and extra services, and, in the event surgical and medical benefits are provided, for services rendered. Service-type plans provide no cash payments to the individual, but pay the full costs of specified hospital, surgical, and medical care for specified periods of time.

The types of benefits which may be designated as medical care benefits (other than hospitalization and surgical) are varied. In this study, the term "medical benefits" is limited to payment for doctor's visits, whether at the hospital, doctor's office, or in the worker's home. These benefits do not include visits made by the attending surgeon in the hospital in connection with surgical procedures.⁶ Allowances for surgical procedures are covered in the section on surgical benefits.

Other forms of medical care benefits, such as out-of-hospital allowances for diagnostic laboratory and X-ray procedures, are treated separately under the Other Medical Care Benefits section of this study.

Variations Among Plans.—The types and amounts of benefits provided by health and insurance plans under collective bargaining vary widely. A plan may consist of one benefit (e. g., life insurance) which applies to the worker only or it may include all types of benefits for the worker and his dependents. In addition, a plan may also extend some benefits to the retired worker and his dependents. In the same manner, benefit levels and the length of time during which benefits are provided differ considerably among plans.

Types and amounts of benefits may also vary within plans operated by a multiplant company or by a multiemployer group covering a wide geographic area. For example, hospital, surgical, and medical benefits provided through Blue Cross

⁴ If the accident and sickness benefit, under plans in those States having temporary disability legislation, was provided as part of a privately insured multibenefit program, then the benefit was considered within the scope of this study.

⁵ Two plans in this study provided these benefits for occupational disabilities and one plan made available hospital and surgical benefits for such cases. These plans specified that the level of benefit would be the difference between the workmen's compensation payment and the amount specified under the plan.

In addition to the general exclusion of benefits for occupational disabilities, most plans specifically excluded one or more nonoccupational disabilities. Among such exclusions were treatment for alcoholism, narcotic addiction, self-inflicted injuries, and cosmetic surgery. Some plans, although covering certain types of disabilities, limited the duration of amount of benefits available for their treatment. Examples of disabilities subject to such limitations were mental and nervous disorders, tonsillectomies, and poliomyelitis. These restrictions and limitations are not discussed in this study.

⁶ Under some plans, medical benefits, as herein defined, are payable although surgery occurs during hospital confinement; various techniques are used to determine the amounts payable in such cases. These techniques are not described in this study.

and Blue Shield programs generally vary from locality to locality.⁷ In this study, where such variations occurred under a particular multiplant or multiemployer plan, the provisions covering the largest group of workers were analyzed. Variations in benefits also occurred in some of the plans studied because of the requirements of State temporary disability laws. Here, too, analysis was confined to those provisions covering the largest group of workers.

Financing Concepts.—Taking a health and insurance plan as a whole, financing may be determined in 1 of 2 ways: Either the employer pays the entire cost (a "noncontributory" plan) or the worker contributes a portion of the cost (a "contributory" or "jointly financed" plan). When the employer pays the entire cost, obviously the benefit package provided to each group covered (active workers, dependents of active workers, retired workers, and dependents of retired workers) and each individual benefit are employer financed or noncontributory. However, when the worker contributes to the cost of the plan, in the various ways in which jointly financed plans have been set up, the determination of the method of financing for each group covered and each benefit provided becomes difficult. For purposes of this study, plan and benefit financing was determined in the following manner:

1. For each group, i. e., active workers, dependents of active workers, retired workers, and dependents of retired workers, the benefit package was classified as jointly financed if (a) both the employer and worker contributed toward the cost of one or more benefits provided the group or (b) the worker made a general contribution toward the cost of all benefits provided to all groups covered by the program. Benefits for a group were considered as employer financed if the employer paid the entire cost of these benefits. Similarly, benefits for a group were classified as worker financed if the worker paid the entire cost of all benefits extended to that group.

2. Determination of the methods of financing individual benefits was more complex. This determination involved not only the problems inherent in the group concept but also the problems arising out of the various ways of identifying, earmarking, or directing workers' contributions.⁸ For example, Plan A provided benefits for both the worker and his dependents. The plan called for a single contribution by the worker toward the total cost of the program; the employer paid the balance of cost. The worker's contribution was not earmarked for a specific benefit nor for benefits for a particular group, i. e., workers or dependents. Under Plan B, providing similar benefits, the worker's contribution was specifically allocated toward the cost of all benefits for his dependents. He may have paid for this coverage in full or in part, but his own benefits were solely employer financed. Plan C earmarked the worker's contribution for one of his own benefits and one for his dependents. When other groups (retired workers and dependents) are brought under coverage of a plan, the variations in methods of financing individual benefits are obviously multiplied.

In classifying methods of financing individual benefits, the following approach was used: If both the worker and employer made a contribution toward the cost of specific benefits, the financing of the benefit was classified as contributory. If the worker or the employer paid the entire cost of specific benefits,

⁷ Blue Cross plans are sponsored by nonprofit incorporated affiliates of the Blue Cross Commission of the American Hospital Association throughout the United States. They primarily provide hospital care benefits on a service basis. Blue Shield plans, sponsored by State or local medical societies, make available allowances for surgical expenses; a large majority also provided allowances for medical expenses. These allowances are provided in accordance with fee schedules approved by the participating doctors. Under both Blue Cross and Blue Shield plans, individual and family coverage are available on a group basis. In most areas, the Blue Cross plan acts as the administrative agency for the 2 plans.

⁸ Initially, many plans included only 1 or 2 benefits. Subsequently, additional benefits were provided, forming over time a comprehensive program. On the other hand, particularly in recent years, newly established programs have tended to be comprehensive at their inception. As a result of these variations in development, the financing arrangements of plans reflect considerable variations.

they were classified as worker financed or employer financed, respectively. If a contribution was made by the worker toward the cost of all benefits for a given group (with the employer paying the balance of cost), each benefit provided the covered group was classified as jointly financed. If either the worker or the employer underwrote the entire cost of all benefits for a given group, each benefit was classified as worker financed or employer financed, depending upon which party made the contribution.⁹

Prevalence of Benefits

Active Workers.—Nearly a third of the plans (94), covering about the same proportion of workers, provided all benefits within the scope of the study—life insurance, accidental death and dismemberment, accident and sickness, hospital, surgical, and medical benefits (table A-3). The next most frequent combination, found in 51 plans, included all benefits except accidental death and dismemberment. Slightly fewer plans (47), in addition to excluding accidental death and dismemberment, did not provide medical benefits. Nearly two-thirds of the plans covering about the same proportion of the workers provided at least 5 of the 6 benefits studied.

TABLE A-3.—Health and insurance plans: Benefits provided active workers by method of financing, late 1955

(x indicates benefits provided under plan; dashes, no benefits provided)

Benefits provided						All plans		Plan benefits for active worker financed by ¹ —			
Life insurance	Accidental death and dismemberment	Weekly accident and sickness	Hospital	Surgical	Medical	Number	Workers (000's)	Employer only		Employer and worker	
								Plans	Workers (000's)	Plans	Workers (000's)
						300	4,981	162	2,244	138	2,738
x	x	x	x	x	x	94	1,555	50	505	44	1,051
x	-	x	x	x	x	51	976	23	597	28	379
x	-	x	x	x	-	47	637	20	131	27	506
x	x	x	x	x	-	35	435	22	281	13	154
x	-	-	x	x	x	19	396	7	316	12	80
x	-	-	x	x	-	14	89	9	55	5	34
x	x	-	x	x	x	13	120	11	112	2	8
-	-	-	x	x	x	8	591	7	91	1	500
x	x	x	-	-	-	5	54	4	52	1	2
x	x	-	x	x	-	4	71	3	68	1	3
-	-	x	x	x	x	4	22	3	20	1	1
-	x	-	x	x	x	2	11	1	2	1	9
x	-	x	-	-	-	1	10	1	10	-	-
x	-	-	-	x	x	1	9	-	-	1	9
-	x	x	x	x	x	1	4	1	4	-	-
-	-	x	x	x	-	1	3	-	-	1	3

¹ Plans were classified as jointly financed if the worker contributed toward the cost of 1 or more of the benefits or if the employer contributed only a part of the costs of the benefits.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

All but a few of the plans studied provided hospital and surgical benefits and life insurance to active workers (table A-4). Four out of 5 plans provided accident and sickness coverage and nearly 2 out of 3 provided medical benefits. About half of the plans included accidental death and dismemberment benefits.

Dependents of Active Workers.—The vast majority of plans (279) extended some type of benefit to dependents of active workers. The most common package for this group, provided in half of the plans extending benefits, included hospital,

⁹ Benefits which were entirely worker financed were considered within the scope of the collectively bargained program. In the case of benefits for the active worker and his dependents, the practice of having the worker pay for a particular type of coverage can be viewed merely as 1 variation of countless financing arrangements. The same reasoning applies to benefits for retired workers. In any event, the worker or retired worker gains the advantage of group rate participation under the plan, which otherwise may not be available.

TABLE A-4.—Health and insurance plans: Prevalence of benefits by groups covered, industry division, and type of bargaining unit, late 1955

Benefits and groups covered	All industries						Manufacturing				Nonmanufacturing			
	All plans		Single employer		Multiemployer		Single employer		Multiemployer		Single employer		Multiemployer	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans studied -----	300	4,981	200	2,822	100	2,159	179	2,726	39	671	21	97	61	1,487
<u>Life insurance</u>														
Active workers -----	284	4,352	193	2,769	91	1,583	174	2,675	39	671	19	94	52	911
Dependents of active workers -----	7	215	2	24	5	191	2	24	-	-	-	-	5	191
Retired workers -----	146	3,108	128	2,273	18	834	112	2,189	10	451	16	85	8	383
<u>Accidental death and dismemberment</u>														
Active workers -----	154	2,250	89	1,513	65	737	83	1,487	24	195	6	26	41	542
Retired workers -----	5	58	3	27	2	31	3	27	1	14	-	-	1	17
<u>Weekly accident and sickness</u>														
Active workers -----	239	3,695	167	2,540	72	1,155	159	2,498	31	621	8	42	41	533
<u>Hospitalization</u>														
Active workers -----	293	4,908	199	2,813	94	2,095	178	2,717	39	671	21	97	55	1,423
Dependents of active workers -----	278	4,279	193	2,781	85	1,498	173	2,686	33	591	20	95	52	907
Retired workers -----	67	1,784	58	1,423	9	361	48	1,374	4	33	10	48	5	329
Dependents of retired workers -----	56	1,729	49	1,380	7	349	41	1,335	2	20	8	45	5	329
<u>Surgical</u>														
Active workers -----	294	4,917	200	2,822	94	2,095	179	2,726	39	671	21	97	55	1,423
Dependents of active workers -----	263	4,190	186	2,772	77	1,418	166	2,677	30	576	20	95	47	842
Retired workers -----	58	1,745	50	1,390	8	355	42	1,345	3	26	8	45	5	329
Dependents of retired workers -----	48	1,690	42	1,348	6	342	35	1,305	1	14	7	43	5	329
<u>Medical</u>														
Active workers -----	193	3,683	127	1,903	66	1,780	110	1,822	27	606	17	81	39	1,175
Dependents of active workers -----	145	2,774	104	1,783	41	992	93	1,743	13	459	11	39	28	533
Retired workers -----	35	1,491	28	1,015	7	476	24	1,002	3	149	4	13	4	327
Dependents of retired workers -----	31	1,346	26	1,005	5	341	23	994	1	14	3	11	4	327

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

surgical, and medical benefits (table A-5).¹⁰ Plans extending only hospital and surgical benefits accounted for an additional 115 plans. Thus, both hospital and surgical benefits were provided by most of the plans studied; medical benefits were less commonly extended to dependents (table A-4). Accident and sickness benefits, for the reason previously given, were not available to dependents. Life insurance, although applicable, was provided to dependents in only seven plans.

TABLE A-5.—Health and insurance plans: Benefits provided dependents of active workers by method of financing, late 1955¹

(x indicates benefits provided under plan; dashes, no benefits provided)

Life insurance	Benefits provided				All plans providing benefits for dependents of active workers		Plan benefits for dependents of active workers financed by ² —					
	Accidental death and dismemberment	Hospital	Surgical	Medical	Number	Workers (000's)	Employer only		Employer and worker		Worker only	
							Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
					279	4,288	120	1,721	108	2,035	51	532
-	-	x	x	x	140	2,700	59	1,099	58	1,305	23	296
-	-	x	x	-	115	1,266	45	343	45	697	25	226
-	-	x	-	-	16	98	10	78	3	9	3	10
x	-	x	x	x	4	65	3	52	1	13	-	-
x	-	x	x	-	3	150	2	139	1	11	-	-
-	-	-	x	x	1	9	1	9	-	-	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Plans were classified as jointly financed if the worker contributed toward the cost of 1 or more of his dependent's benefits or if the employer contributed only a part of the costs of the benefits.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

With the exception of life insurance, the level of the benefits extended to dependents of active workers was identical to that provided the worker in a large proportion of the plans (table A-6). In each of the few cases of dependents' coverage under life insurance, the benefit level was lower for dependents than for workers.

TABLE A-6.—Health and insurance plans: Relationship of benefits provided active workers and their dependents, late 1955¹

Benefit level for dependents of active worker	Life insurance		Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing benefits for active workers and dependents	7	215	272	4,215	257	4,126	141	2,750
Benefits for dependents: Same as for active worker -----	-	-	208	3,536	171	3,204	104	2,460
Less than for active worker in one or more respects -----	7	215	64	679	86	922	37	290

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

¹⁰ Six plans provided hospital and surgical benefits for dependents but not workers; 4 plans provided medical benefits for dependents but not workers. These plans covered workers in the maritime industry who received free medical and surgical care in U. S. Public Health Service hospitals and out-patient facilities under the United States Maritime law.

Retired Workers.—Slightly more than half (155) of the plans, covering about two-thirds of the workers in the study, extended one or more benefits to retired workers (table A-7). The most common extension consisted of life insurance alone, accounting for more than half of all plans providing benefits for retired workers. This benefit in combination with hospital, surgical, and medical coverage represented a far less prevalent package, but the number of workers covered by the 26 plans extending these benefits to retired workers was about equal to the number covered by the 86 plans providing life insurance only. Although extension to retired workers of all benefits available to active workers (with the exception of accident and sickness) is possible, only 4 plans in the study provided this full package.

About half of the plans providing life insurance for active workers also extended this benefit to retired workers (table A-4). Substantially smaller proportions of those plans providing hospital, surgical, and medical benefits for active workers made coverage available to retired workers.

In a majority of plans which extended accidental death and dismemberment, hospital, surgical, and medical benefits to the retired worker, he was covered by the same level of benefits provided the worker before retirement (table A-8).¹¹ Under such provisions, the worker faced no reduction in protection when he retired at age 65. Most plans, however, reduced the amount of life insurance for the retired worker. This practice may be attributed to several factors: (a) the cost of providing full coverage when payment is a certainty, as it would be in the case of life insurance, may be excessive in comparison with the cost of other benefits that might be obtained; (b) there may be less need to provide income for a surviving dependent; and (c) such insurance may be considered primarily a means to cover the cost of final illnesses and funeral expenses.

Although many workers stood to lose all health and insurance protection upon retirement and others were subject to reduced protection upon retirement, rarely did a plan that extended benefits to retired workers include provisions for discontinuance of such benefits during the retirement period (table A-9). Thus, as long as a worker so covered was in a retired status, which generally meant as long as he lived, he did not fear loss of a benefit because of his age.

Dependents of Retired Workers.—Slightly more than a third of the plans providing benefits for the retired worker, covering more than half of the workers under such plans, also extended one or more benefits to his dependents (table A-10). These ratios were low in comparison with the extension of benefits to dependents of active workers, and were attributable in large part to the fact that life insurance was the only benefit provided retired workers under more than half the plans for that group. However, most of the plans extending hospital, surgical, and medical benefits to retired workers also made such protection available to their dependents (table A-4).

Benefits provided dependents of retired workers included hospitalization, surgical, and medical care. The most frequently provided package (in 31 of 56 plans) included all three benefits. These 31 plans accounted for nearly 80 percent of the workers covered by all plans extending benefits. Every plan extending benefits to dependents of retired workers included hospitalization. Six out of 7 and 4 out of 7 plans provided surgical and medical benefits, respectively.

¹¹ For this analysis, benefits available to the worker retiring at age 65 were compared with those available to him immediately prior to retirement (i. e., at age 64). It is subsequently noted (table A-13) that benefits for the active worker may have been reduced as he reached a certain advanced age.

TABLE A-7.—Health and insurance plans: Benefits provided retired workers by method of financing, late 1955¹

(x indicates benefits provided under the plans; dashes, no benefits provided)

Benefits provided					All plans extending benefits to retired workers		Plan benefits for retired workers financed by ² —									
Life insurance	Accidental death and dismemberment	Hospital	Surgical	Medical	Number	Workers (000's)	Employer only		Employer and active worker		Employer and retired worker		Retired worker only		Other	
							Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
					155	3,195	82	1,505	14	463	39	971	9	136	11	120
x	-	-	-	-	86	1,276	57	683	13	446	7	54	6	80	3	12
x	-	x	x	x	26	1,253	10	553	-	-	12	637	-	-	4	63
x	-	x	x	-	19	363	3	89	-	-	12	228	-	-	4	46
x	-	x	-	-	9	39	4	18	-	-	5	22	-	-	-	-
-	-	x	x	-	6	25	5	20	-	-	-	-	1	5	-	-
x	x	x	x	x	4	41	1	6	1	17	1	4	1	14	-	-
-	-	x	x	x	2	45	-	-	-	-	1	9	1	36	-	-
x	-	-	-	x	2	135	2	135	-	-	-	-	-	-	-	-
-	x	x	x	x	1	17	-	-	-	-	1	17	-	-	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Plans for the retired worker were classified as jointly financed if the worker (retired or active) contributed toward the cost of 1 or more of the retired workers' benefits or if the employer contributed only a part of the costs of the benefits.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE A-8.—Health and insurance plans: Benefit levels for workers retiring at age 65 compared with those provided immediately before retirement, late 1955¹

Benefit level for retired workers	Life insurance		Accidental death and dismemberment benefits		Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans extending benefits to retired workers -----	146	3,108	5	58	67	1,784	58	1,745	35	1,491
Benefits for retired worker: Same as for active worker before retirement -----	29	726	4	41	39	1,407	39	1,425	25	1,231
Less than for active worker in one or more respects -----	² 117	2,383	1	17	28	377	19	320	10	260

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Includes 8 plans which maintained same level of insurance on retirement for a specified period only, e. g., 1 year.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE A-9.—Health and insurance plans: Length of time benefits available to retired workers, late 1955¹

Benefits available	Life insurance		Accidental death and dismemberment benefits		Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans extending benefits to retired workers -----	146	3,108	5	58	67	1,784	58	1,745	35	1,491
For duration of retirement -----	144	3,079	4	44	63	1,747	54	1,708	32	1,457
For specified period -----	2	29	1	14	4	37	4	37	3	34

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE A-10.—Health and insurance plans: Benefits provided dependents of retired workers by method of financing, late 1955¹

(x indicates benefits provided under the plans; dashes, no benefits provided)

Benefits provided					All plans extending benefits to dependents to retired workers		Plan benefits for dependents of retired workers financed by ² —							
Life insurance	Accidental death and dismemberment	Hospital	Surgical	Medical	Number	Workers (000's)	Employer only		Employer and active worker		Employer and retired worker		Retired worker only	
							Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
					56	1,729	18	657	1	17	11	104	26	950
-	-	x	x	x	31	1,346	11	559	1	17	6	52	13	717
-	-	x	x	-	17	344	4	87	-	-	5	52	8	205
-	-	x	-	-	8	38	3	11	-	-	-	-	5	27

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Plans for the dependents of the retired workers were classified as jointly financed if the worker (active or retired) contributed toward the cost of 1 or more of the benefits for the retired worker's dependents or if the employer contributed only a part of the cost of the benefits.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

In almost all cases, the level of benefits provided dependents of retired workers was identical to that for retired workers (table A-11). Thus, both the retired worker and his dependents under those plans extending benefits generally could expect the same treatment.

TABLE A-11.—Health and insurance plans: Relationship of benefits provided retired workers and their dependents, late 1955¹

Benefit level for dependents of retired worker	Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans extending benefits to retired workers and dependents -----	56	1,729	48	1,690	31	1,346
Benefit level for dependents: Same as for retired worker -----	52	1,702	47	1,687	28	1,323
Less than for retired worker in one or more respects -----	4	27	1	3	3	23

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

A larger proportion of single-employer plans provided for the extension of individual benefits to dependents of active workers, and to retired workers and their dependents than did multiemployer plans (table A-4).

Eligibility Requirements

Although employee participation in many plans was automatic or a condition of employment, the worker was generally not covered immediately upon being hired.¹² Usually a specified period of employment had to be completed before plan coverage was available.¹³ Required periods of employment for plan participation were expressed in terms of hours, days, weeks, or months. For the purpose of this study, all periods were converted to a monthly basis wherever possible.

Under the plans studied, if a worker participated as soon as he was eligible, a physical examination was not required. However, if the worker did not choose to participate at that time and later decided to do so, he was usually subject to a physical examination.

All plans did not specify the same period of employment to qualify for the various benefits included in the plan. About 1 out of 5 plans made a distinction in the requirements for various benefits. In virtually all plans where this distinction was made, different employment periods were required for life insurance and accident and sickness benefits than were required for hospital, surgical, and medical benefits; usually a shorter period of employment was required for the latter benefits.

¹² Under plans to which the worker is required to contribute, he is often given the choice of whether he desires to participate or not; under some contributory plans, however, this choice is preempted by the provisions of the plan agreement and participation becomes a condition of employment, i. e., automatic.

¹³ Eligibility requirements as discussed in this section refer only to the period of employment required of the worker before he is eligible to participate in the plan. Under some plans, further requirements are necessary to receive certain benefits. For example, a waiting period may be specified for the receipt of accident and sickness benefits, and maternity benefits may not be available until the member has been covered for 9 months or more. These requirements are discussed in subsequent sections of this study.

In addition to specifying an employment requirement, a few plans also required a period of union membership. This period rarely exceeded the employment requirement.

Although the employment requirements to participate in the plans ranged from none (covered immediately upon hire) to over 12 months, a large majority of the plans, covering a still larger proportion of workers in the study, required less than 4 months¹ employment for plan participation (table A-12).

The health and insurance plans rarely required a worker to attain a certain age before he could participate in the plan. To the extent that such ages were specified, they were generally so low that few or no workers were likely to be affected. However, an important aspect of plan eligibility, particularly from the viewpoint of the newly hired older worker, is whether advanced age is a barrier to qualification for plan participation. This aspect is discussed below.

Effect of Age on Benefits for Workers

An outstanding characteristic of health and insurance plans under collective bargaining, insofar as the older worker is concerned, is the general absence of provisions barring the participation of older workers, whether newly hired or long employed. Only 3 plans discontinued 1 or more benefits for the employed worker at a certain age and each applied the ban to workers at 65 years or older (table A-13). A slightly larger number of plans (11) withheld coverage under 1 or more benefits from workers hired after a specified age (table A-14).

Reductions in the amount of benefits, duration, or other modifications based on age alone were more common. Where such limitations occurred, they were usually at age 60 or 65 (table A-13). For example, 17 plans reduced the amount of life insurance in effect for active workers at age 65. Eight plans reduced medical benefits at age 60.

Reduction of benefits was most frequent for accident and sickness coverage. About a fourth of the plans, covering slightly more than a tenth of the workers receiving accident and sickness benefits, had age restrictions. With one exception, the plans with age restrictions specified age 60 as the time when accident and sickness benefits were reduced.

The reduction or limitations applicable to employed older workers also applied to newly hired older workers. In addition, some plans reduced or eliminated coverage for new workers only. The combined effect of the two types of restrictions is shown in table A-14. Considering the nature of some of the reductions and the ages at which they were effective, the impact of age differentiation on the newly hired worker seemed, on the whole, to be relatively minor.

Variation in Amount of Benefits Based on Sex¹⁴

Women workers, except in maternity cases, were generally assured the same level of benefits as men under the plans studied (table A-15). Under the relatively few plans making a distinction (22), accident and sickness and life insurance benefits were mainly involved. No variation existed in surgical and medical benefits.

Financing

A majority of the plans provided that all benefits for active workers were to be paid for entirely by the employer. However, in terms of the number of workers covered, slightly more than half were under jointly financed programs

¹⁴ Maternity care benefits provided under accident and sickness, hospital, surgical, and medical provisions of these plans are discussed in a separate section of this study.

TABLE A-12.—Health and insurance plans: Eligibility requirements by type of benefit, late 1955¹

Eligibility requirements	Life insurance		Accidental death and dismemberment benefits		Accident and sickness benefits		Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing benefits -----	284	4,352	154	2,250	239	3,695	² 299	4,972	³ 300	4,981	³ 197	3,707
After employment for:												
Less than 1 month -----	59	1,494	32	541	54	986	68	1,468	68	1,468	45	860
1 and less than 2 months -----	34	261	19	146	35	651	39	326	39	277	23	176
2 and less than 3 months -----	19	111	14	75	21	114	21	108	20	106	10	54
3 and less than 4 months -----	65	553	33	339	55	502	58	558	60	569	40	376
4 and less than 5 months -----	7	88	4	65	6	53	6	77	6	77	2	44
6 and less than 7 months -----	36	520	13	81	17	171	31	547	32	597	21	562
8 and less than 9 months -----	1	6	1	6	1	6	1	6	1	6	1	6
12 and less than 13 months -----	11	92	2	7	3	20	5	62	5	62	2	42
First of month following completion of employment for:												
Less than 1 month -----	2	13	2	13	2	20	3	31	3	31	3	31
1 and less than 2 months -----	18	293	11	250	21	334	28	370	28	370	20	329
2 and less than 3 months -----	4	546	5	557	4	555	7	1,097	7	1,097	5	960
3 and less than 4 months -----	7	43	6	34	6	41	8	43	8	43	5	23
4 and less than 5 months -----	1	3	1	3	1	3	2	14	2	14	1	11
5 and less than 6 months -----	1	125	-	-	1	125	-	-	-	-	-	-
6 and less than 7 months -----	6	11	2	3	4	7	8	56	7	55	7	55
Other -----	13	192	9	130	8	106	14	209	14	209	12	178

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Includes 6 plans which provided benefits for dependents but not for workers.

³ Includes 4 plans which provided benefits for dependents but not for workers.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

TABLE A-13.—Health and insurance plans: Maintenance of benefits for active workers, late 1955¹

Provision	Life insurance		Accidental death and dismemberment benefits		Accident and sickness benefits		Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing benefits for active workers -----	284	4,352	154	2,250	² 237	3,675	293	4,908	294	4,917	193	3,683
Maintained at constant level without regard to age -----	264	3,588	153	2,243	182	3,257	287	4,665	290	4,711	184	3,520
Reduced at specified age -----	19	761	-	-	54	414	6	243	3	201	9	163
Age 60 -----	-	-	-	-	53	401	1	1	1	1	8	43
Age 65 -----	17	752	-	-	1	13	2	200	2	200	1	120
Age 66 -----	1	2	-	-	-	-	-	-	-	-	-	-
Age 68 -----	1	7	-	-	-	-	-	-	-	-	-	-
Age 70 -----	-	-	-	-	-	-	3	42	-	-	-	-
Discontinued at specified age -----	1	3	1	7	1	5	-	-	1	5	-	-
Age 65 -----	1	3	-	-	-	-	-	-	-	-	-	-
Age 68 -----	-	-	1	7	-	-	-	-	-	-	-	-
Age 70 -----	-	-	-	-	1	5	-	-	1	5	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Excludes 2 plans providing only for occupational disability benefits.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

TABLE A-14.—Health and insurance plans: Effect of age at hiring on availability or level of benefits for active workers, late 1955¹

Provision	Life insurance		Accidental death and dismemberment benefits		Accident and sickness benefits		Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing benefits for active workers -----	284	4,352	154	2,250	² 237	3,675	293	4,908	294	4,917	193	3,683
Availability or level of benefit not affected by age at hiring -----	252	3,330	148	1,803	179	2,770	286	4,628	288	4,673	182	3,482
Reduced benefit provided if hired after age ---	21	649	4	25	56	866	7	280	4	238	10	200
55 -----	1	35	-	-	-	-	-	-	-	-	-	-
60 -----	3	53	2	16	³ 54	³ 438	³ 2	³ 38	³ 2	³ 38	³ 9	³ 80
65 -----	15	552	2	9	2	428	2	200	2	200	1	120
66 -----	1	2	-	-	-	-	-	-	-	-	-	-
68 -----	1	7	-	-	-	-	-	-	-	-	-	-
70 -----	-	-	-	-	-	-	3	42	-	-	-	-
Benefit not available if hired after age -----	7	225	2	422	2	40	-	-	2	6	1	1
50 -----	1	10	-	-	-	-	-	-	-	-	-	-
55 -----	3	12	-	-	1	35	-	-	1	1	1	1
65 -----	3	203	1	415	-	-	-	-	-	-	-	-
68 -----	-	-	1	7	-	-	-	-	-	-	-	-
70 -----	-	-	-	-	1	5	-	-	1	5	-	-
Other -----	⁴ 4	148	-	-	-	-	-	-	-	-	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Excludes 2 plans providing only for occupational disability benefits.

³ Includes 1 plan covering 37,000 workers which provides a reduced amount of insurance if hired after age 60 for first 36 months of employment. Thereafter, same benefits are provided as for employee hired prior to age 60.

⁴ Includes 2 plans covering 135,000 workers providing a reduced amount of insurance to workers becoming union members after age 55 and 2 plans covering 13,000 workers that do not provide life insurance to workers becoming union members at age 56 or later.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

TABLE A-15.—Health and insurance plans: Variation in amount of benefits based on sex, late 1955¹

Provision	Life insurance		Accidental death and dismemberment benefits		Accident and sickness benefits		Hospitalization		Surgical		Medical	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing benefits -----	284	4,352	154	2,250	² 237	3,675	293	4,908	294	4,917	193	3,683
No variation in amount -----	273	4,240	151	2,229	224	3,484	291	4,883	294	4,917	193	3,683
Variation in amount -----	11	112	3	21	13	192	2	25	-	-	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Excludes 2 plans providing benefit only for occupational disabilities.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

(table A-3). Solely in terms of the scope of the plans and not the level of benefits, the provision for worker contributions was apparently not a major factor in determining the number of benefits provided for active workers. Employer financing was predominant in those plans including five or more benefits.

Under most plans covering the dependents of active workers, the employer paid all or a part of the cost of providing these benefits (table A-5). Less than 1 out of 5 plans for dependents was financed entirely by the worker. Similar to plans covering the worker, there was little evidence that the method of financing determined the scope of the plan (number of benefits provided).

When plans covering the worker were employer financed, the benefits extended to his dependents were, in most cases, also employer financed (table A-16). A similar relationship also existed in those instances where the plans for active workers were jointly financed.

TABLE A-16.—Health and insurance plans: Relationship of method of financing plan as a whole for active workers and plan for their dependents, late 1955

Method of financing plan as a whole for active workers and dependents ¹	Plans	Workers (000's)
All plans studied -----	300	4,981
Plan for active workers financed by employer -----	162	2,244
Plan for dependents financed: By employer -----	107	1,664
By employer and worker -----	5	43
By worker -----	31	346
Dependents' benefits not provided -----	19	192
Plan for active worker financed by employer and worker -----	138	2,738
Plan for dependents financed: By employer -----	13	57
By employer and worker -----	103	1,992
By worker -----	20	186
Dependents' benefits not provided -----	2	503

¹ Plans for the active worker or their dependents were classified as jointly financed if the worker contributed toward the cost of 1 or more of the benefits for the group specified or if the employer contributed only a part of the cost of the benefits.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Each of the individual benefits provided active workers was financed solely by the employer in the majority of cases (table A-17). In contrast, in the majority of cases, the worker either shared the cost with the employer or paid the entire cost of each benefit extended to his dependents (with the exception of life insurance).

Under most plans extending coverage to retired workers and to their dependents, the employer carried all or part of the cost of providing these plans (tables A-7 and A-10). In virtually all cases where benefits covering the retired worker were employer financed, benefits extended to his dependents were also employer financed (table A-18). However, where the retired worker contributed toward his benefits, he paid the entire cost of the benefits extended to his dependents in the large majority of the cases. With the exception of life insurance for the retired worker, less than half of the plans required the employer to bear the entire cost of the individual benefits provided the retired worker and

TABLE A-17.—Health and insurance plans: Method of financing individual benefits for active workers and their dependents, late 1955¹

Method of financing benefits	Active workers											
	Life insurance		Accidental death and dismemberment benefits		Weekly accident and sickness benefits		Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing benefits -----	284	4,352	154	2,250	239	3,695	293	4,908	294	4,917	193	3,683
Employer only -----	167	2,248	106	1,120	136	1,693	83	2,363	185	2,393	127	1,846
Employer and worker -----	117	2,105	48	1,129	94	1,933	109	2,532	108	2,511	64	1,811
Worker only -----	-	-	-	-	9	69	1	13	1	13	2	28
	Dependents of active workers											
	Life insurance		Hospital benefits		Surgical benefits		Medical benefits					
All plans providing benefits -----	7	215	278	4,279	263	4,190	145	2,774				
Employer only -----	5	191	122	1,744	110	1,642	63	1,161				
Employer and worker -----	2	24	107	2,007	103	2,007	57	1,287				
Worker only -----	-	-	49	529	50	541	25	327				

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

his dependents (table A-19). Although a substantial proportion of the plans required the retired worker to pay the entire cost of hospital, surgical, and medical benefits if he wished to continue coverage for himself and his dependents, the retired worker gained the advantage of group-rate participation which otherwise would not have been available to him.

TABLE A-18.—Health and insurance plans: Relationship of method of financing plan as a whole for retired workers and plan for their dependents, late 1955¹

Method of financing plan as a whole for retired workers and dependents ²	Plans	Workers (000's)
All plans extending benefits to retired workers -----	155	3,195
Plan for retired worker financed by employer -----	82	1,505
Plan for dependents financed: By employer -----	18	657
By retired worker only -----	1	7
Dependents' benefits not provided -----	63	841
Plan for retired worker financed by employer and active worker -----	14	463
Plan for dependents financed: By employer and active worker -----	1	17
Dependents' benefits not provided -----	13	446
Plan for retired worker financed by employer and retired worker -----	39	971
Plan for dependents financed: By employer and retired worker -----	9	95
By retired worker -----	19	805
Dependents' benefits not provided -----	11	71
Plan for retired worker financed by retired worker -----	9	136
Plan for dependents financed: By retired worker -----	3	55
Dependents' benefits not provided -----	6	81
Plan for retired worker financed by method other than those specified -----	11	120
Dependents' benefits financed: By employer and retired worker -----	2	9
By retired worker only -----	3	82
Dependents' benefits not provided -----	6	28

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Plans for the retired workers or their dependents were classified as jointly financed if the worker (retired or active) contributed toward the cost of 1 or more of the benefits for the group specified or if the employer contributed only a part of the costs of the benefits.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Significantly, under 16 life insurance plans covering almost a half million workers, the employer and the active worker shared the cost of the insurance which became available to the worker on retirement without further contribution on his part. This provision may reflect an awareness of workers that, if they are to contribute to the cost of health and insurance benefits, it may be easier to pay while they are actively employed for the benefits they wish to receive in a retired status.

TABLE A-19.—Health and insurance plans: Method of financing individual benefits for retired workers and their dependents, late 1955¹

Method of financing benefits	Retired workers									
	Life insurance		Accidental death and dismemberment benefits		Hospital benefits		Surgical benefits		Medical benefits	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans extending benefits -----	146	3,108	5	58	67	1,784	58	1,745	35	1,491
Employer only -----	97	2,295	2	10	29	746	22	713	16	744
Employer and retired worker -----	16	128	1	17	14	119	13	118	6	52
Employer and active worker -----	16	495	1	17	1	17	1	17	1	17
Retired worker only -----	7	94	1	14	23	902	22	896	12	678
Other -----	10	96	-	-	-	-	-	-	-	-
	Dependents of retired workers									
All plans extending benefits -----					56	1,729	48	1,690	31	1,346
Employer only -----					18	657	15	647	11	559
Employer and retired worker -----					11	104	11	104	6	52
Employer and active worker -----					1	17	1	17	1	17
Retired worker only -----					26	950	21	922	13	717
Other -----					-	-	-	-	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Life Insurance

Ninety-five percent (284) of the plans studied provided life insurance for the active worker. This benefit provided both on-the-job and off-the-job coverage for the worker.

In most cases, the type of insurance provided was group term, with no cash surrender, paid-up, or other nonforfeitable features. Some plans, however, made available insurance with paid-up or cash surrender values payable to workers upon termination of employment in addition to or in lieu of group term insurance. A few plans, which for the purpose of this study were considered as having a life insurance benefit, provided a cash benefit self-insured by the employer or fund to which the employer contributed; commonly this was referred to as a "funeral" or "death" benefit.

Benefits for Active Workers

Basis for Determining Amount of Insurance.—The amount of life insurance provided was either a flat or uniform amount (the same amount applied to all workers regardless of earnings or length of service levels); an amount graduated according to such factors as earnings, service, union membership, etc.; or, in a few cases, a combination of a flat amount plus a graduated amount (table B-1). While considerably more plans (177 of the 284 plans) were of the flat-payment type, a slightly larger number of workers were covered by plans providing a graduated amount than were covered by flat-payment plans. Only 3 plans, covering approximately 9,000 workers, stipulated a different basis for determining the amount of insurance available to men and women workers.

TABLE B-1.—Life insurance: Basis of determining amount by type of bargaining unit, late 1955

Basis of determining amount	All plans		Type of bargaining unit			
			Single employer		Multiemployer	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans studied	300	4,981	200	2,822	100	2,159
Plans providing life insurance	284	4,352	193	2,769	91	1,583
Flat amount	177	2,000	98	687	79	1,313
Graduated	102	2,289	90	2,018	12	271
Earnings ¹	75	1,922	72	1,887	3	35
Service	12	52	11	43	1	9
Length of union membership	4	148	-	-	4	148
Service and earnings	7	84	6	79	1	5
Other	4	83	1	9	3	74
Flat amount plus amount graduated according to earnings or service ²	5	64	5	64	-	-

¹ 3 plans covering 9,000 workers provided a flat amount for women.

² 4 plans covering 62,000 workers provided a flat amount plus an amount based on earnings.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Slightly more than half of the single-employer plans provided uniform insurance benefits (table B-1). Because graduated benefits were more characteristic of the larger single-employer plans, however, graduated plans accounted for nearly three times the number of workers covered by plans with uniform amounts. In contrast with single-employer plans, an overwhelming majority of the multiemployer plans studied provided a flat amount.

Amount of Insurance.—Under the 177 plans providing a flat amount, the life insurance benefit ranged from \$400 to \$10,000. Well over half of the plans provided less than \$2,500 (table B-2). Of the 2 million workers covered by flat plans, almost half were under plans providing less than \$1,500. Benefit levels of \$3,000 or more applied to less than a fourth of the workers.

TABLE B-2.—Life insurance: Distribution of plans providing flat amount by amount provided, late 1955¹

Amount of insurance	Plans	Workers
		(000's)
All plans providing flat amount -----	² 177	2,000
Under \$1,000 insurance -----	18	376
\$1,000 but less than \$1,500 -----	48	592
\$1,500 but less than \$2,000 -----	15	66
\$2,000 but less than \$2,500 -----	38	287
\$2,500 but less than \$3,000 -----	9	197
\$3,000 but less than \$3,500 -----	17	137
\$3,500 but less than \$4,000 -----	14	140
\$4,000 but less than \$4,500 -----	7	52
\$4,500 but less than \$5,000 -----	4	71
\$5,000 but less than \$6,000 -----	5	71
\$6,000 and over -----	2	12

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 284 plans provided a life insurance benefit.

² 4 of these plans provided a lower benefit for women.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

The amounts of life insurance available to workers earning \$3,000 and \$4,000 yearly—arbitrarily selected earnings levels—are shown in table B-3 for the 75 graduated plans providing an amount based on earnings alone. Under these plans, the life insurance for a \$3,000-a-year worker ranged from less than \$2,000 to \$8,000. For the \$4,000-a-year worker, 12 plans provided \$8,000 or more. Four-fifths of the plans assured workers earning \$3,000 and \$4,000 a year an amount equal to or exceeding their annual incomes.

TABLE B-3.—Life insurance: Distribution of graduated plans by amount provided workers earning \$3,000 and \$4,000 yearly, late 1955¹

Amount of insurance	\$3,000-a-year worker		\$4,000-a-year worker	
	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing a graduated amount based on earnings alone ² -----	³ 75	1,922	³ 75	1,922
Under \$2,000 insurance -----	2	11	1	2
\$2,000 but less than \$2,500 -----	7	63	2	30
\$2,500 but less than \$3,000 -----	6	34	2	9
\$3,000 but less than \$3,500 -----	26	643	5	25
\$3,500 but less than \$4,000 -----	6	76	6	378
\$4,000 but less than \$4,500 -----	8	659	21	283
\$4,500 but less than \$5,000 -----	5	159	10	220
\$5,000 but less than \$6,000 -----	5	60	9	514
\$6,000 but less than \$7,000 -----	6	174	6	211
\$7,000 but less than \$8,000 -----	3	40	1	5
\$8,000 but less than \$9,000 -----	1	5	7	182
\$9,000 but less than \$10,000 -----	-	-	4	60
\$10,000 and over -----	-	-	1	5

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 284 plans provided a life insurance benefit.

² 3 plans provided a flat amount for women.

³ 7 plans provided a lesser amount for women.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

The amounts of insurance provided under both graduated and flat plans varied considerably among plans of approximately the same size, as measured by worker coverage (tables B-4 and B-5). On the whole, plans covering between 1,000 (the minimum size used in this study) and 5,000 workers provided a lower level of insurance than the larger plans, but no clear difference was indicated among the 3 other size groupings used.

TABLE B-4.—Life insurance: Distribution of plans providing a flat amount by amount and number of workers covered by plans, late 1955¹

Amount of insurance	All plans	Plans covering—			
		1,000 to 5,000 workers	5,000 to 10,000 workers	10,000 to 25,000 workers	25,000 or more workers
All plans providing life insurance -----	284	139	56	54	35
All plans providing other than a flat amount ---	107	43	21	22	21
All plans providing a flat amount -----	² 177	96	35	32	14
Under \$500 insurance -----	1	-	-	1	-
\$500 but less than \$1,000 -----	17	10	3	1	3
\$1,000 but less than \$1,500 -----	48	29	8	8	3
\$1,500 but less than \$2,000 -----	15	12	1	2	-
\$2,000 but less than \$2,500 -----	38	24	6	5	3
\$2,500 but less than \$3,000 -----	9	3	2	3	1
\$3,000 but less than \$3,500 -----	17	7	5	4	1
\$3,500 but less than \$4,000 -----	14	5	5	3	1
\$4,000 but less than \$4,500 -----	7	2	3	2	-
\$4,500 but less than \$5,000 -----	4	2	-	1	1
\$5,000 but less than \$6,000 -----	5	2	-	2	1
\$6,000 but less than \$7,000 -----	1	-	1	-	-
\$7,000 and over -----	1	-	1	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² 4 of these plans provided a lower benefit for women.

TABLE B-5.—Life insurance: Distribution of plans graduating amount according to earnings alone by amount provided workers earning \$4,000 yearly and number of workers covered by the plans, late 1955¹

Amount of insurance	All plans	Plans covering—			
		1,000 to 5,000 workers	5,000 to 10,000 workers	10,000 to 25,000 workers	25,000 or more workers
All plans providing life insurance -----	284	139	56	54	35
All plans providing a flat amount or an amount based on factors other than earnings alone -----	209	111	43	35	20
All plans providing an amount based on earnings alone ² -----	³ 75	28	13	19	15
Under \$2,000 insurance -----	1	1	-	-	-
\$2,000 but less than \$2,500 -----	2	1	-	-	1
\$2,500 but less than \$3,000 -----	2	2	-	-	-
\$3,000 but less than \$3,500 -----	5	3	1	1	-
\$3,500 but less than \$4,000 -----	6	1	-	1	4
\$4,000 but less than \$4,500 -----	21	10	4	6	1
\$4,500 but less than \$5,000 -----	10	5	1	1	3
\$5,000 but less than \$6,000 -----	9	1	1	5	2
\$6,000 but less than \$7,000 -----	6	1	2	-	3
\$7,000 but less than \$8,000 -----	1	1	-	-	-
\$8,000 but less than \$9,000 -----	7	2	2	2	1
\$9,000 but less than \$10,000 -----	4	-	1	3	-
\$10,000 and over -----	1	-	1	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² 3 plans provided a flat amount for women.

³ 7 plans provided a lesser amount for women.

Variations in Amount Based on Sex.—Generally, both women and men workers were protected by the same amount of life insurance. At the assumed \$3,000 and \$4,000 earnings levels, a lesser amount was provided for women than for men in only 11 plans. Under 4 plans, the benefits for men and women

workers were graduated on separate scales; 3 plans graduated the amount of life insurance provided men but granted all women workers a uniform and lower amount; and under 4 flat-payment plans, women received a lower amount than men.

Under 9 of the 11 plans, women received at least 50 percent of the amount provided men workers, as indicated in the following tabulation. Although the absolute differences ranged from \$300 under 1 plan to \$4,600 in another program, most were between \$1,400 and \$2,600.

Percent of amount of insurance provided men workers that was provided women workers	\$3,000-a-year worker		\$4,000-a-year worker	
	Workers		Workers	
	Plans	(000's)	Plans	(000's)
All plans providing less insurance for women than for men workers -----	11	112	11	112
30 percent -----	-	-	2	6
31 percent -----	1	4	-	-
37 percent -----	-	3	-	-
50 percent -----	5	51	5	51
60 percent -----	-	-	1	8
63 percent -----	1	11	1	11
67 percent -----	2	9	1	1
86 percent -----	1	35	1	35

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Reduction of Benefit During Active Employment.—Under 19 plans, a reduced amount of life insurance coverage was provided the worker upon attainment of a specified age (table A-13). In about half of these plans, further reductions were made at specified intervals to a constant level which was maintained for the remainder of the worker's active employment. Reductions in benefits were more common under graduated plans than under flat plans. Two plans reduced benefits at a slightly earlier age for women than for men and one reduced the benefit for men but not for women.

Benefits for Retired Workers¹⁵

Of the 146 plans extending life insurance to retired workers (table A-8), 109 reduced the amount immediately upon a worker's retirement at age 65. More than four-fifths of these plans reduced the insurance in effect to a constant level which held throughout the retirement period. A few plans reduced the amount of insurance in effect immediately upon retirement and at specified intervals thereafter. Of the 37 plans that did not reduce the level of insurance upon retirement, 8 maintained the insurance level for a limited period, e. g., a year, and then reduced it to a constant level benefit for the remainder of the retirement period.

¹⁵ For this analysis, benefits available to worker retiring at age 65 were compared with those available to him immediately prior to retirement (i. e., at age 64). It has been previously noted that benefits for the active worker may have been reduced as he reached a certain age.

The amounts of life insurance available under the 146 plans to men after retirement at age 65 are illustrated in table B-6, computed for men earning \$4,000 yearly prior to retirement. Less than half the plans for which amounts could be computed provided \$1,500 or more for these retired workers. An amount equal to or in excess of their annual income immediately prior to retirement was available in less than 15 percent of such plans. The average insurance extended the \$4,000 worker upon retirement was \$1,684. At age 70, the average insurance level for retired workers who had earned \$4,000 yearly dropped to \$1,267, or 25 percent below the level at the start of the retirement period (table B-6). Under two plans, insurance was canceled.

TABLE B-6.—Life insurance: Distribution of plans by amounts provided workers at ages 65 and 70 who retired at age 65 and earned \$4,000 yearly prior to retirement, late 1955¹

Amount of insurance	Immediately after retirement at age 65		Retired worker at age 70	
	Plans	Workers (000's)	Plans	Workers (000's)
All plans extending life insurance to retired workers at specified age -----	146	3,108	144	3,079
Graduated plans based on factors other than earnings alone -----	29	1,020	29	1,020
Flat amount or an amount based on earnings alone ² -----	117	2,090	115	2,061
Under \$500 insurance -----	1	7	1	7
\$500 but less than \$1,000 -----	17	541	18	548
\$1,000 but less than \$1,500 -----	50	992	54	1,003
\$1,500 but less than \$2,000 -----	7	80	8	160
\$2,000 but less than \$2,500 -----	17	185	15	219
\$2,500 but less than \$3,000 -----	2	6	2	6
\$3,000 but less than \$3,500 -----	2	4	3	16
\$3,500 but less than \$4,000 -----	6	80	4	40
\$4,000 but less than \$4,500 -----	3	13	5	39
\$4,500 but less than \$5,000 -----	1	3	2	8
\$5,000 but less than \$7,500 -----	7	141	3	15
\$7,500 and over -----	4	38	-	-
Average insurance for \$4,000-a-year worker at specified age ³ -----		\$1,684		\$1,267

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² 6 plans provided a lesser amount for women.

³ Arithmetical average; amount of insurance provided to a \$4,000-a-year man by each plan was weighted by total number of workers covered by that insurance plan.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Unlike pension annuities but similar to life insurance for the active worker, relative length of service was not an important consideration in the determination of the amount of life insurance retired workers receive (table B-7).

TABLE B-7.—Life insurance: Effect of length of service on amount provided retired workers, late 1955¹

Provision	Plans	Workers (000's)
All plans extending life insurance to retired workers -----	146	3,108
Amount not affected by service -----	119	2,097
Graduated by service (two or more graduations) -----	14	872
Smaller amount if service less than specified period -----	4	12
Other -----	9	127

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

Less than a fifth of the 146 plans extending life insurance varied the amount of coverage for retired workers according to length of service or period insured.

Under all but six plans extending benefits to retired workers, retired women and men received the same benefit. The six plans that provided a smaller benefit to retired women also gave active women workers less life insurance coverage than active men workers.

Benefits for Dependents of Active Workers

Seven plans extended life insurance coverage to one or more of the worker's dependents. Under two plans, benefits were restricted to the dependent wife; the remainder covered both the dependent wife and children. None of these plans continued dependents' coverage after the worker's employment was terminated. All plans withdrew coverage for dependent children after they attained a specified age.

A fixed amount of coverage, as indicated in the following tabulation, was provided the dependent wife. The amount specified for dependent children varied according to attained age.

<u>Amount of insurance</u>			<u>Plans</u>	<u>(000's)</u>
All plans providing life insurance to dependent ----			7	215
<u>Dependent wife</u>	<u>Dependent children</u>			
	<u>Minimum</u>	<u>Maximum</u>		
\$ 500	-	-	2	139
\$ 500	\$100	\$250	2	42
\$ 500	\$100	\$500	1	10
\$1,000	\$50	\$500	2	24

NOTE: All coverage shown in this tabulation relate to the number of active workers covered by the plans. See footnote 3, p. 1.

Permanent and Total Disability Provisions

Typically, the life insurance plans studied protected the covered worker in the event of permanent and total disability. Specific provisions outlining the disposition of life insurance benefits in such cases were included in almost 9 out of 10 plans (table B-8).

The most common method of settlement under permanent and total disability provisions provided for the maintenance of the full value of the life insurance for the duration of the worker's disability (table B-8). Maintenance of insurance coverage for the disability period or for a limited period was provided in about 7 out of 10 plans with permanent and total disability features. Under virtually all remaining plans, a cash settlement of the full value of the insurance was made when permanent and total disability occurred. Usually, under this type of settlement the face value of the life insurance was paid in monthly installments to the disabled worker.

Generally, in order to be eligible for these benefits, the disability must have occurred before a specified age, most frequently age 60 (table B-9). Only 23 of the 249 plans providing this benefit did not specify an age requirement. Under a few plans, a stipulated amount of service or insured coverage was required in addition to an age requirement. In most instances, this period did not exceed 1 year.

TABLE B-8.—Life insurance: Disposition of life insurance benefits under permanent and total disability provisions, late 1955¹

Method of settlement ²	Plans	Workers
		(000's)
All plans providing life insurance	284	4,352
All plans with permanent and total disability provisions	249	3,979
Full amount of insurance paid in:		
Installments	53	730
Lump sum	10	172
Installments or lump sum (optional)	10	102
Portion of insurance paid in installments, balance maintained for:		
Duration of disability	2	33
Specified period	1	39
Full amount of insurance maintained for:		
Duration of disability	118	1,191
Specified period	27	428
Specified period; reduced amount for duration of disability	24	1,212
Portion of insurance discontinued, balance maintained for duration of disability	2	19
Full amount of insurance maintained or paid in installments (optional)	1	4
Other	1	50

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Under 28 plans different methods of settlement were provided if disability occurred before or after a specified age or with less than a specified amount of service. In these cases the lower age or service requirement was used to classify the plan provisions.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

TABLE B-9.—Life insurance: Eligibility requirements to receive permanent and total disability benefits, late 1955¹

Service or insured coverage requirements	Plans providing permanent and total disability benefits		Benefits are available if disability occurs—								
			At any age		Prior to age						
	Plans	Workers (000's)	Plans	Workers (000's)	60		65		Other		
				Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing benefits--	249	3,979	23	784	186	2,732	38	413	2	50	
No service or insured coverage requirements	237	3,281	22	778	176	2,058	37	395	2	50	
Service requirement of	2	86	1	6	1	80	-	-	-	-	
1 year	1	80	-	-	1	80	-	-	-	-	
10 or more years	1	6	1	6	-	-	-	-	-	-	
Insured coverage of	9	601	-	-	8	583	1	18	-	-	
1 year	6	28	-	-	6	28	-	-	-	-	
2 years	1	18	-	-	-	-	1	18	-	-	
10 years	1	415	-	-	1	415	-	-	-	-	
15 years	1	140	-	-	1	140	-	-	-	-	
Other	1	11	-	-	1	11	-	-	-	-	

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers. Of these, 284 plans provided life insurance.

Accidental Death and Dismemberment Benefits

Accidental death and dismemberment benefits were provided by 154 of the 300 plans studied.¹⁶ Under all but 3 of these plans, this benefit was granted in addition to life insurance; the 3 exceptions, covering approximately 15,000 workers, provided no life insurance. Unlike life insurance, slightly more than a third of the accidental death and dismemberment benefit provisions covered only off-the-job accidents.

<u>Item</u>	<u>Plans</u>	<u>Workers (000's)</u>
All plans providing accidental death and dismemberment benefit -----	154	2,250
Occupational and nonoccupational cases covered -----	100	1,672
Nonoccupational cases covered -----	54	577

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Three-fourths of the plans providing an accidental death and dismemberment benefit stipulated uniform amounts for all covered workers (table C-1). The basis for determining the amount of benefit was for the most part the same as that for life insurance. Where there was a difference, determination of the amount of life insurance coverage was based on such factors as earnings, service, etc., whereas a flat amount of accidental death and dismemberment benefit was specified.

TABLE C-1.—Accidental death and dismemberment:
Basis of determining amount of benefit, late 1955¹

Basis of determining amount of accidental death and dismemberment benefit	Plans	Workers (000's)
All plans providing benefit ² -----	154	2,250
Flat amount -----	114	1,090
Graduated -----	40	1,159
Earnings ³ -----	35	1,115
Earnings and service -----	3	24
Other -----	2	20

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² 1 plan provided for dismemberment benefits only.

³ 1 plan covering 3,000 workers provided a flat amount for women.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

¹⁶ One plan included in the 154 provided only accidental dismemberment benefits.

Under more than 70 percent of the plans, the amount provided for accidental death was the same as the life insurance coverage for a man earning \$3,000 or \$4,000 a year (table C-2). One out of five plans provided a lower accidental

TABLE C-2.—Accidental death and dismemberment: Relationship of accidental death benefit to amount of life insurance provided workers earning \$3,000 and \$4,000 yearly, late 1955¹

Amount of accidental death benefit	\$3,000-a-year-worker		\$4,000-a-year-worker	
	Plan	Workers (000's)	Plan	Workers (000's)
All plans providing accidental death benefit and life insurance -----	150	2,218	150	2,218
Accidental death benefit was--				
More than face value of life insurance -----	7	103	6	96
Triple the face value -----	1	1	1	1
Less than triple but more than double the face value -----	1	49	1	49
Double the face value -----	2	4	2	4
Less than double the face value -----	3	49	2	42
Same as the face value of life insurance -----	112	1,105	110	1,092
Less than the face value of life insurance --	30	980	32	995
More than one-half the face value -----	9	69	11	83
One-half the face value -----	14	818	14	818
Less than one-half the face value -----	7	94	7	94
Other -----	1	30	2	35

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

death benefit. The amount of the accidental death benefit exceeded the amount of life insurance specified under the plan in only a few cases. Of the 113 plans providing a uniform accidental death benefit, more than four-fifths made available less than \$3,000 (table C-3). These plans covered a similar proportion of

TABLE C-3.—Accidental death and dismemberment: Distribution of plans providing flat amount by amount provided, late 1955¹

Amount of benefit ²	Plans	Workers (000's)
All plans providing accidental death benefit ----	153	2,233
All plans providing other than a flat amount ---	40	1,159
All plans providing a flat amount -----	113	1,074
\$500 but less than \$1,000 -----	5	19
\$1,000 but less than \$1,500 -----	40	286
\$1,500 but less than \$2,000 -----	14	68
\$2,000 but less than \$2,500 -----	26	188
\$2,500 but less than \$3,000 -----	10	282
\$3,000 but less than \$3,500 -----	8	68
\$3,500 but less than \$4,000 -----	2	43
\$4,000 but less than \$4,500 -----	3	33
\$4,500 but less than \$5,000 -----	1	40
\$5,000 but less than \$6,000 -----	3	40
\$6,000 and over -----	1	6

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² 1 plan provided a lesser amount for women.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

all workers under flat plans. In about a third of the 35 graduated plans, the accidental death benefit was less than the annual income for a \$3,000- and a \$4,000-a-year worker (table C-4). Both men and women workers received the same accidental death benefit under all except 1 of the flat plans and 2 of the graduated ones.

TABLE C-4.—Accidental death and dismemberment: Distribution of plans graduated according to earnings alone, by amount provided workers earning \$3,000 and \$4,000 yearly, late 1955¹

Amount of benefit ²	\$3,000-a-year-worker		\$4,000-a-year-worker	
	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing accidental death benefit ---	153	2,233	153	2,233
All plans providing flat amount or amount based on factors other than earnings alone ---	118	1,118	118	1,118
All plans providing amount based on earnings alone -----	35	1,115	35	1,115
Under \$2,000 -----	2	143	-	-
\$2,000 but less than \$2,500 -----	6	506	2	141
\$2,500 but less than \$3,000 -----	5	23	4	427
\$3,000 but less than \$3,500 -----	10	207	5	204
\$3,500 but less than \$4,000 -----	3	69	1	3
\$4,000 but less than \$4,500 -----	5	110	8	82
\$4,500 but less than \$5,000 -----	1	8	5	85
\$5,000 but less than \$6,000 -----	3	49	7	104
\$6,000 but less than \$7,000 -----	-	-	3	71

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² 2 plans provided a lesser amount for women.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

In almost all plans, multidisbursement benefits—a cash payment made in case of loss of 2 or more limbs, complete loss of sight, or loss of sight in 1 eye plus loss of 1 limb due to accidental causes—were fixed at the same levels provided for accidental death.

Amount of multidisbursement benefit	Workers	
	Plans	(000's)
All plans providing accidental death and multidisbursement benefits -----	153	2,233
Same as death benefit -----	149	2,218
Greater than death benefit -----	4	15

Under all plans, the amount of the single disbursement benefit—cash amount payable for loss of 1 limb or sight of 1 eye—was half of the multidisbursement benefit.

Under only one plan was a modification made in the accidental death and disbursement benefits provided workers upon the attainment of a specified age (table A-13). In this plan, benefits were discontinued at age 68.

Accidental death and disbursement benefits were extended to retired workers by only 5 of the 154 plans providing this benefit for active workers. Except in one case, the amounts extended were the same as those provided the active workers before retirement.

Accident and Sickness Benefits¹⁷

Four-fifths (239) of the plans studied provided cash accident and sickness benefits. Under all except 2 of these plans, workers received payment for time lost because of nonoccupational (off-the-job) accidents or illnesses; in the 2 exceptions, payment was limited to cases involving occupational disabilities (table D-1). More than 1 out of 5 plans also provided benefits for disabilities arising from occupational causes, thus supplementing workmen's compensation payments.

TABLE D-1.—Accident and sickness: Types of disability covered by industry division, late 1955

Types of disability covered	All industries		Manufacturing		Nonmanufacturing	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans studied	300	4,981	218	3,397	82	1,584
All plans providing accident and sickness benefits	239	3,695	190	3,119	49	575
Nonoccupational and occupational:						
Accident and sickness	¹ 50	1,695	43	1,590	7	106
Nonoccupational only:						
Accident and sickness	187	1,981	147	1,530	40	451
Occupational only:						
Accident and sickness	1	9	-	-	1	9
Accident only	1	10	-	-	1	10

¹ Includes 5 plans, covering 58,000 workers, which provided benefits for nonoccupational accident and sickness and occupational accident only.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

In the large majority of cases, the accident and sickness benefits were provided through group insurance; self-insurance by a fund to which contributions were made was the other method used to provide benefits. Almost all of the plans provided the benefit in terms of a weekly payment to eligible workers for a specified number of weeks per disability or per year. A worker became eligible for benefit coverage after completing the eligibility requirements, if any, stipulated in the plan (table A-12). Once these requirements were met, a sick or injured worker qualified for weekly payments either immediately or after a specified waiting period.

In all cases, the disabled person must have been under the care of a qualified physician in order to receive benefits. Under many plans, moreover, the disability had to be attested to in writing by the physician. However, only a few plans required the worker to be confined to his home or to a hospital in order to qualify for benefits.

Nonoccupational Benefits

Waiting Period.—Under a substantial majority of plans, the time when benefit payments began differed according to the type of disability, i. e., sickness or accident (table D-2). Provisions governing payments for accident cases, in the great majority of instances, were far less restrictive than those for sickness. Most frequently, benefit payments for nonoccupational accidents began immediately (166 plans). In contrast, a waiting period for sickness benefits was specified in all plans.¹⁸

¹⁷ Paid sick leave, State workmen's compensation benefits, and temporary disability payments from State-operated plans are not analyzed in this study.

Provisions relating to availability of accident and sickness benefits for disabilities or absences due to pregnancy are discussed on p. 70.

¹⁸ This has reference only to provisions of the accident and sickness benefit plans included within the scope of this study. No determination was made as to the prevalence of paid sick leave plans which might have provided payments during this waiting period. To the extent that such payments were provided, the waiting period under the accident and sickness plan had little, if any, effect.

In more than 4 out of 5 plans, benefits were not payable in case of sickness until after the seventh day. However, if the worker was hospitalized prior to completion of the waiting period, some plans began payments with the first day of hospitalization. Nine plans provided retroactive payments following the completion of the waiting period or an extended period of disability under specified conditions (see footnotes, table D-2).

TABLE D-2.—Accident and sickness: Waiting period for weekly nonoccupational benefits, late 1955

Type of benefit and waiting period		Plans	Workers (000's)
All plans studied		300	4,981
All plans providing nonoccupational accident and sickness benefits		237	3,675
Benefits begin after:			
<u>Accident</u>	<u>Sickness</u>		
Immediately	3 days	¹ 22	¹ 284
Immediately	7 days	² 122	² 1,439
Immediately	7 days or when hospitalized	22	817
3 days	3 days	³ 8	³ 108
3 days	7 days	4	13
6 days	13 days	⁴ 4	⁴ 286
7 days	7 days	⁵ 42	⁵ 429
7 days or when hospitalized	7 days or when hospitalized	5	232
Upon being hospitalized	Upon being hospitalized	3	47
Other		5	21

¹ Includes: 1 plan covering 25,000 workers with a waiting period of 3 days or until hospitalized, whichever occurred first; 1 plan covering 2,000 workers providing for retroactivity of benefit payment to 1st day of disability if hospitalized prior to completion of the 3-day waiting period.

² Includes 2 plans covering 5,000 workers providing for retroactivity of benefit payment to 1st day if disability lasted for a specified period.

³ Includes 1 plan covering 19,000 workers providing for a waiting period of 3 days or until hospitalized, whichever occurred first.

⁴ These 4 plans provided for retroactivity of accident benefits to 1st day and retroactivity of sickness benefit to 8th day.

⁵ Includes: 1 plan covering 11,000 workers providing for retroactivity of benefit payment to 1st day if disability lasted for a specified period; 1 plan covering 10,000 workers that provided benefits for hospitalized cases only; and 1 plan covering 3,000 workers providing that, for disabilities due to accidents, benefit was retroactive to 1st day after completion of waiting period.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Basis for Determining Amount.—As in the case of life insurance and accidental death and dismemberment benefits, nonoccupational accident and sickness benefit payments, for the most part, were determined either as a uniform amount for all workers or as an amount graduated according to earnings (table D-3). Although a substantially larger number of plans (134) provided a uniform (flat) benefit, those plans (97) which graduated the amount according to earnings covered nearly as many workers. In all plans, the basis (flat or graduated) used in determining the amount for women workers was the same as that for men.

Under plans providing a flat amount, variations in earnings among workers did not affect the amount of the weekly benefit except in four plans which stipulated that the weekly benefit could not exceed a specified percentage of earnings (before deductions). Two plans specified a maximum of $66\frac{2}{3}$ percent of earnings and the other 2 specified 70 percent. Under plans graduating the benefit according to earnings, stipulating both a minimum and maximum was the predominant practice (71 of 97).

Under graduated plans, the amount of the payment was either (1) a fixed percentage of weekly earnings (36 plans), or (2) an amount graduated according to

a schedule of earnings classifications (61 plans). As shown below, under plans using the former method, 50 percent of weekly earnings was the lowest and most common ratio specified.

<u>Percent of earnings specified</u>	<u>Plans</u>	Workers
		<u>(000's)</u>
All plans determining accident and sickness benefits on a percentage of earnings basis ----	36	416
50 percent -----	14	221
60 percent -----	7	66
65 percent -----	1	35
66 $\frac{2}{3}$ percent -----	9	46
70 percent -----	3	17
Other -----	2	32

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Under 10 of these 36 plans, minimum and maximum dollar amounts were specified, 19 plans limited only the maximum amount payable; and 2, only the minimum amount. Five plans did not specify either a minimum or maximum amount. The minimum and maximum amounts specified under the 31 plans having such provisions are listed below:

<u>Item</u>		<u>Plans</u>
All plans determining accident and sickness benefit on a percentage of earnings basis with a stipulated minimum and/or maximum weekly amount -----		31
<u>Minimum amount</u>	<u>Maximum amount</u>	
\$12.50	-	2
-	\$30.00 -----	2
\$10.00	\$30.00 -----	1
\$25.00	\$30.00 -----	1
\$10.00	\$33.00 -----	2
-	\$35.00 -----	1
\$10.00	\$35.00 -----	2
-	\$40.00 -----	7
\$25.00	\$40.00 -----	1
(¹)	\$40.00 -----	1
-	\$41.50 -----	1
-	\$42.00 -----	1
-	\$50.00 -----	3
-	\$55.00 -----	1
-	\$60.00 -----	1
\$30.00	\$60.00 -----	1
-	\$75.00 -----	2
\$35.00	\$85.00 -----	1

¹ Amount required under State temporary disability law.

In the 61 plans under which the amount of payment was geared to earnings classifications, the lower and upper earnings categories established the minimum and maximum amounts provided under the plan. For example, under the following schedule, workers could receive no less than \$14 and no more than \$35:

<u>Basic weekly earnings</u>	<u>Weekly accident and sickness benefit</u>
Under \$28 -----	\$14
\$28 but less than \$36 -----	17
\$36 but less than \$48 -----	21
\$48 but less than \$60 -----	28
\$60 and over -----	35

TABLE D-3.—Accident and sickness: Basis for determining nonoccupational benefit amount by type of bargaining unit, late 1955

Basis for determining amount	All plans		Type of bargaining unit			
	Number	Workers (000's)	Single employer		Multiemployer	
			Plans	Workers (000's)	Plans	Workers (000's)
All plans studied	300	4,981	200	2,822	100	2,159
All plans providing nonoccupational accident and sickness benefits	237	3,675	167	2,540	70	1,135
Flat amount	134	1,876	86	1,081	48	795
Uniform amount	130	1,832	86	1,081	44	751
With stipulated maximum percentage of earnings	4	44	-	-	4	44
Graduated according to earnings	97	1,657	78	1,446	19	212
With stipulated minimum and maximum	71	1,452	63	1,369	8	84
With stipulated maximum	19	140	13	69	6	72
With stipulated minimum	2	7	-	-	2	7
With no stipulated minimum or maximum	5	58	2	8	3	49
Other	6	144	3	14	3	130

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

TABLE D-4.—Accident and sickness: Distribution of plans providing a graduated nonoccupational benefit by amount provided workers earning \$4,000 yearly, late 1955¹

Amount of weekly benefit for \$4,000-a-year worker ²	Plans	Workers (000's)
All plans providing an amount based on earnings alone	³ 95	³ 1,626
\$25	3	12
\$25.01 but less than \$30	4	9
\$30	11	106
\$30.01 but less than \$35	7	61
\$35	7	35
\$35.01 but less than \$40	17	300
\$40	21	163
\$40.01 but less than \$45	7	84
\$45	3	134
\$45.01 but less than \$50	9	273
\$50	2	17
\$50.01 but less than \$55	3	17
\$55	1	415

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; 237 of these provided for nonoccupational accident and sickness benefits. Excluded are 2 plans under which the weekly benefit provided during the first part of the benefit period was higher than that provided during the latter part of the benefit period.

² Weekly equivalent—\$76.92.

³ 2 plans covering 5,000 workers provided a lower benefit for women.

TABLE D-5.—Accident and sickness: Distribution of plans providing a flat amount by amount of weekly nonoccupational benefit, late 1955¹

Amount of weekly benefit	Plans	Workers (000's)
All plans providing a flat amount benefit	² 133	² 1,873
Under \$15	3	90
\$15	4	55
\$15.01 but less than \$20	2	6
\$20	8	434
\$20.01 but less than \$25	6	33
\$25	15	103
\$25.01 but less than \$30	7	23
\$30	27	193
\$30.01 but less than \$35	6	42
\$35	12	91
\$35.01 but less than \$40	2	21
\$40	33	744
\$45	6	28
\$50	1	3
\$55	1	9

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; 237 of these provided for nonoccupational accident and sickness benefits.

² 11 plans covering 187,000 workers provided a lower benefit for women. Excluded is 1 plan under which the weekly benefit provided during the first part of the benefit period was higher than that provided during the latter part of the benefit period.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

A considerably larger proportion of multiemployer plans provided flat benefits than did single-employer plans. Slightly more than half of the single-employer plans made available a flat amount, as contrasted with nearly three-fourths of the multiemployer plans.

Amount of Benefits.—A much discussed aspect of accident and sickness plans concerns the ratio of benefits to normal wages. It is commonly argued that too high a benefit level fosters malingering, i. e., the reliance upon benefit payments during periods when the worker is not actually ill or the continuation of benefits beyond that point when the worker has recovered sufficiently to return to the job. On the other hand, it is argued that to fix benefit levels so low as to eliminate any possibility of malingering would not only be unfair to the valid claimants but would, in effect, compromise the basic purpose of accident and sickness plans—to provide a reasonable income during periods when the worker may need it most. As pointed out previously, a number of plans regulated or controlled the proportion of wage replacement through the establishment of a maximum, either in the form of a specified percentage of earnings or a fixed dollar amount.

For a worker earning \$4,000 a year¹⁹ (an arbitrarily selected earnings level), weekly benefits provided by graduated plans ranged from \$25 to \$55 (table D-4). The most frequently provided amount was \$40, which was approximately the median amount provided by all graduated plans. This benefit level provided slightly more than 50 percent of gross weekly wages before deductions for workers paid at the rate of \$4,000 yearly.

Under plans providing flat amounts, the payments ranged from less than \$15 to \$55 weekly (table D-5). The most frequently provided amount was \$40, found in about a fourth of the plans stipulating a uniform benefit. Slightly fewer plans provided \$30 weekly, which was also the median amount provided under all flat type plans.²⁰ Only 8 plans provided a weekly benefit in excess of \$40; for the most part, these plans covered workers whose expected level of earnings was characteristically high.

Variations in Amount Based on Sex.—In general, both men and women workers were entitled to the same amount of nonoccupational accident and sickness benefits.²¹ Under 13 plans, however, different benefit levels were provided and in each case women received a lesser amount. Most of these plans were in industries in which employment of women was relatively high. As shown below, for workers earning \$3,000 yearly (an arbitrary earnings level), in only

Percent of benefit level provided men available to women earning \$3,000 a year	Workers	
	Plans	(000's)
All plans providing different amounts for men and women	13	192
60 percent	1	20
75 percent	7	136
78 percent	1	7
80 percent	3	28
83 percent	1	1

¹⁹ Weekly equivalent—\$76.92.

²⁰ The relationship of this median or of the different benefit levels to arbitrarily select earnings levels can, of course, be readily computed; however, the benefit amount under many flat plans is geared to the expected level of earnings of workers covered by the plan. In many cases, these levels may vary considerably from an arbitrarily selected one, and the relationships mentioned above would be unrealistic. For example, if workers covered by a flat plan are expected to earn \$6,000 a year (or at this rate) the level of benefits provided by the plan would tend to reflect this expectancy. Relating this level of benefits to a \$4,000-a-year wage would exaggerate the ratio of earnings provided by the plan. The opposite would be true if earnings were substantially below \$4,000.

²¹ The availability of benefits in the maternity cases is discussed in a separate section of this study.

TABLE D-6.—Accident and sickness: Distribution of plans by amount of weekly nonoccupational benefit provided workers earning \$4,000 yearly and duration of benefit period, late 1955¹

Amount of weekly benefit for \$4,000-a-year worker ²	All plans		Maximum duration of benefit period									
			Per disability						Per year		Other	
	13 weeks		26 weeks		52 weeks		13 weeks ³					
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing nonoccupational accident and sickness benefits -----	237	3,675	86	769	120	2,250	9	142	9	463	13	53
All plans providing an amount based on factors other than earnings -----	4 9	177	1	9	4	44	2	37	1	85	1	2
All plans providing flat amount or amount based on earnings alone -----	228	3,499	85	761	116	2,206	7	105	8	378	12	50
Under \$15 -----	3	90	3	90	-	-	-	-	-	-	-	-
\$15 -----	4	55	4	55	-	-	-	-	-	-	-	-
\$15.01 but less than \$20 -----	2	6	2	6	-	-	-	-	-	-	-	-
\$20 -----	8	434	6	153	-	-	-	-	2	281	-	-
\$20.01 but less than \$25 -----	6	33	4	19	-	-	-	-	-	-	2	14
\$25 -----	18	114	15	106	1	4	-	-	-	-	2	5
\$25.01 but less than \$30 -----	11	32	4	8	6	22	-	-	1	2	-	-
\$30 -----	38	295	15	118	19	122	1	5	1	50	2	5
\$30.01 but less than \$35 -----	13	102	3	26	7	61	-	-	3	16	-	-
\$35 -----	19	126	4	43	14	79	-	-	-	-	1	5
\$35.01 but less than \$40 -----	19	321	6	20	8	260	2	7	1	29	2	6
\$40 -----	54	907	11	66	43	841	-	-	-	-	-	-
\$40.01 but less than \$45 -----	7	84	-	-	7	84	-	-	-	-	-	-
\$45 -----	9	162	2	10	6	150	-	-	-	-	1	2
\$45.01 but less than \$50 -----	9	273	2	13	2	158	4	93	-	-	1	9
\$50 -----	3	20	2	15	1	5	-	-	-	-	-	-
\$50.01 but less than \$55 -----	3	17	1	4	1	7	-	-	-	-	1	6
\$55 -----	2	424	1	9	1	415	-	-	-	-	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Weekly equivalent—\$76.92. 13 plans covering 192,000 workers provided a lower benefit for women.

³ Includes 4 plans covering 286,000 workers that provided separately for 13 weeks per year for accidents and 13 weeks per year for sickness.

⁴ Included are 3 plans under which the weekly amount provided during the first part of the benefit period was higher than that provided during the latter part of the benefit period.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

1 plan was the amount provided women less than 75 percent of that provided men. Inasmuch as flat amounts for men and women, regardless of earnings levels, were provided by 11 of the 13 plans, the relationship between the amounts provided men and women under these plans would generally be the same at other income levels.

Duration of Benefits.—Provisions limiting the number of weekly benefit payments available to workers were included in all but 2 of the 237 plans providing nonoccupational accident and sickness benefits. Predominantly, the specified number of weekly payments was available to the worker for each separate disability (table D-6).²² About half of the plans, accounting for about 6 out of 10 workers with accident and sickness benefit coverage, made payments available to incapacitated workers for up to 26 weeks per disability. Most of the remaining plans provided benefits for a maximum of 13 weeks per disability. The duration of weekly benefits was uniform for all workers covered by the plan, regardless of sex or earnings levels, except for certain modifications based on age (see below). Only 1 plan varied the benefit period on the basis of length of service.

Generally, under plans providing benefits for 26 weeks or more, the amount of the weekly payment was greater than the amount specified under plans with a shorter benefit period. More than half of the plans with a 26-week duration paid \$40 a week or more to a \$4,000-a-year worker. In contrast, the great majority of those with a 13-week duration provided \$30 or less (table D-6).

Reduction of Benefits During Active Employment.—Under 55 plans, a modification was made in accident and sickness benefits provided workers upon attainment of a specified age (table A-13). With two exceptions, these plans specified age 60 as the time when the benefit provisions were changed. In only one instance was the benefit discontinued. With this exception, the change in no case affected the amount of weekly payment; rather, it consisted of shifting the benefit payments from a "per-disability" basis to a "per-year" basis (table D-7). In 2 out of 3 of these plans, both accident and sickness benefits were affected; in the remaining plans, only the sickness benefit was affected.

TABLE D-7.—Accident and sickness: Change in basis of weekly nonoccupational benefit payment due to age, late 1955¹

Provision	Plans	Workers (000's)
All plans providing for a change in basis of payment at specified age	55	419
Change affected both accident and sickness benefits	36	281
<u>Before age 60:</u>		
13 weeks per disability	17	62
26 weeks per disability	17	201
<u>After age 60:</u>		
13 weeks per year		
26 weeks per year		
<u>Before age 65:</u>		
13 weeks per disability	1	13
<u>After age 65:</u>		
13 weeks per year		
<u>Before age 70:</u>		
20 weeks per disability	1	5
<u>After age 70:</u>		
Discontinued		
Change affected sickness benefit only	19	138
<u>Before age 60:</u>		
13 weeks per disability	8	85
20 weeks per disability	1	3
26 weeks per disability	10	50
<u>After age 60:</u>		
13 weeks per year		
20 weeks per year		
26 weeks per year		

¹ Based on a study of 300 health and insurance plans under collective bargaining; of these, 237 plans provided a weekly nonoccupational accident and sickness benefits.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

²² Under these plans, the number of weekly payments a worker collected from the plan for previous disabilities had no bearing on the number available to him in case of future disabilities so long as the disabilities were due to unrelated causes and were separated by a return to work, usually for a specified period.

Occupational Benefits

Historically, weekly accident and sickness benefits, with few exceptions, were designed to recompense employees prevented from working by off-the-job injuries or illnesses, since partial wage payment in case of disability incurred on the job was provided through workmen's compensation laws. However, as accident and sickness plans developed, the payments made under these state laws were, in many instances, less than the worker would have received for off-the-job injuries. To correct this situation, an increasing number of accident and sickness plans in recent years have included a guarantee that the worker who is injured on the job will receive an income at least equal to the amount provided for off-the-job disabilities.

About 1 out of 5 plans (52) with accident and sickness benefits, covering a substantially higher proportion of workers, provided payments in case of occupational disabilities (table D-1). Most of these plans made available a weekly occupational benefit equal to the difference between the amount of the nonoccupational payment and the workmen's compensation payment (table D-8). For example, assuming that the amount of the nonoccupational disability benefit was \$40 weekly, and that the disabled worker received \$30 weekly under workmen's compensation, the worker would thus be entitled to the difference of \$10 weekly from the private plan, generally for the same period he would have drawn benefits in case of a nonoccupational disability.

TABLE D-8.—Accident and sickness: Relationship between amount of weekly nonoccupational and occupational benefits provided workers earning \$4,000 yearly, late 1955¹

Amount of weekly occupational benefit	Plans	Workers (000's)
All plans providing nonoccupational and occupational accident and sickness benefits	50	1,695
Difference between Workmen's Compensation benefit and nonoccupational benefit	39	1,563
Same as nonoccupational benefit	4	60
50 percent of nonoccupational benefit	2	44
25 percent of nonoccupational benefit	2	17
Other	3	11

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

With few exceptions, the period during which payments were made for occupational disabilities was of the same duration as that provided for nonoccupational disabilities. As indicated below, nearly three-fourths of the plans providing occupational benefits did so for up to 26 weeks per disability.

Maximum duration of occupational benefit period	Plans	Workers (000's)
All plans providing occupational benefits	52	1,714
13 weeks per disability	10	84
26 weeks per disability	35	1,510
52 weeks per disability	2	85
26 weeks per year	1	9
Unlimited	1	10
Other	3	17

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Hospital Benefits

Virtually all plans in this study providing hospital benefits made these benefits available through commercial insurance carriers or through prepayment plans offered by nonprofit organizations such as Blue Cross. A few programs were self-insured, that is, the benefits were paid directly by the fund to which contributions were made or by the employer. Generally, plans underwritten by commercial carriers provided for fixed cash allowances to be applied toward expenses normally incurred in the hospital. These are usually referred to as cash or indemnified plans. Benefits made available through plans operated by nonprofit organizations were usually of a service type; i. e., specified benefits were assured rather than cash allowances toward the cost of those benefits. Self-insured programs made use of both methods.

Hospital benefits are generally described in terms of two major components: (1) Room and board benefits and (2) "extra" or ancillary hospital service allowances. The former covers allowances for room, meals, special diets on occasion, and general nursing care; the latter applies to allowances for such services or charges as use of operating and cystoscopic rooms, supplies (e. g., bandages, splints, anesthetic materials), prescribed laboratory examinations, specified drugs and medications, various types of X-ray examinations, etc.

Under virtually all plans, a maximum number of days of hospitalization was provided. Usually, the daily benefit allowances or services remained the same throughout this entire period. However, under some plans lower or limited benefits were provided during the latter part of the period, referred to in this report as the "extended-coverage" period. The time during which the higher or full benefits were provided is designated as the "full-benefit" period.

Types of Plans

Of the 300 plans studied, 293 provided hospital benefits for active workers and 278 for the workers' dependents. More than half of the plans provided cash benefits (table E-1).²³ However, a somewhat larger number of workers were covered by service plans. Slightly more than a tenth of the plans were combination plans (cash and service); most of these plans provided cash daily room and board allowances but made available specified hospital extras on a full-cost or service basis. No significant variation was noted in the extent to which single and multiemployer plans utilized cash- or service-type programs.

Duration of Benefits

Although full daily room and board allowances were available to both workers and their dependents for periods ranging from less than 21 to more than 120 days per hospital stay, the majority of plans provided 70 days or more for each group (table E-2).²⁴ The most frequent durations specified were 31 and 70 days. When combined with the next most prevalent full-benefit period (120 days), these 3 benefit periods accounted for over two-thirds of the plans.

Generally, service-type plans stipulated longer full-benefit periods than plans providing cash allowances. This was true for both workers and dependents. Although the duration of the full-benefit period under service-type plans varied considerably, plans providing 120 days covered approximately two-thirds of the workers under all plans with service-type room and board benefits (table E-2).

²³ Plans were classified according to the type of room, board, and extra hospital benefits provided during the full-benefit period.

²⁴ Frequently, limitations were placed on the number of days benefits were available in case of a tonsillectomy, poliomyelitis, and mental and nervous disorders; these limitations are not described in this study. The benefits for maternity care are described in a subsequent section of this study.

A slightly smaller proportion of workers were under service plans specifying 120-day benefit periods for dependents. In contrast, only a small proportion of workers or their dependents under cash plans were provided with full-benefit periods of 120 days or more.

TABLE E-1.—Hospitalization: Types of plans for workers and dependents by type of bargaining unit, late 1955

Type of plans and group covered ¹	All plans		Single employer		Multiemployer	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans studied	300	4,981	200	2,822	100	2,159
<u>Workers</u>						
All plans providing hospital benefits	293	4,908	199	2,813	94	2,095
Cash	158	1,882	102	1,001	56	881
Service	102	2,275	72	1,612	30	663
Cash and service	33	751	25	201	8	551
<u>Dependents</u>						
All plans providing hospital benefits	278	4,279	193	2,781	85	1,498
Cash	150	1,810	97	971	53	840
Service	99	2,255	71	1,610	28	645
Cash and service	29	213	25	201	4	13

¹ Plans were classified according to type of benefits provided during the full-benefit period. Full-benefit period on this and subsequent tables in this section of the bulletin refers to the period during which the maximum daily room and board benefit is provided.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by plans. See footnote 3, p. 1.

Dependents received benefits for the same period as workers under a large majority of the 272 plans providing hospitalization to both groups (table E-3). Where there was a difference, a shorter period was specified for dependents in virtually all cases.

Under three plans, the number of days in the full-benefit period increased according to the length of time a worker participated in a plan. For example, under 1 plan, this period increased from 21 to 25 days after 1 year of participation, and then to 31 days after the second year.

Extended coverage periods, at reduced allowances, were provided under 55 plans for workers and dependents. For each group, more than half of these plans provided a full-benefit period of 21 days and an extended coverage period of 180 days (table E-4). Of the 51 plans with extended coverage provisions for both workers and dependents, the duration was identical in all cases, and only 1 plan provided a lower level of daily room and board allowances for dependents (table E-3).

Nearly 95 percent of the plans covering both workers and dependents provided hospital benefits on a "per-disability" basis, that is, benefits were payable for each separate disability or period of hospital confinement.²⁵ The number of times the individual received benefits under the plan for previous disabilities had no bearing on the benefits available to him in case of future illnesses. Under the few plans providing benefits on a "per-year" basis, the amount available to the insured for a second or third period of hospital confinement during any 1 benefit year was the unused portion of the benefits specified.

²⁵ A separate disability or a separate period of hospital confinement was usually described, in relation to a previous use of hospital facilities, as being due to a different or unrelated cause, or separated by a return to work or a specified period of time.

TABLE E-2.—Hospitalization: Distribution of plans by duration of full-benefit period for workers and dependents and type of room and board benefit, late 1955¹

Duration of full-benefit period	Type of room and board benefit for—											
	Workers						Dependents					
	All plans		Cash		Service		All plans		Cash		Service	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing hospital benefits	² 293	² 4,908	186	2,076	107	2,833	278	4,279	175	1,966	103	2,313
Under 21 days	3	48	3	48	-	-	1	4	1	4	-	-
21 days	30	325	1	3	29	322	30	325	1	3	29	322
22 but less than 31 days	3	10	3	10	-	-	6	37	6	37	-	-
31 days	72	833	70	816	2	18	80	1,037	77	1,009	3	28
32 but less than 70 days	17	176	16	161	1	15	11	54	9	40	2	14
70 days	78	679	54	433	24	246	66	595	44	361	22	234
71 but less than 120 days	14	206	9	158	5	49	13	144	10	109	3	35
120 days	56	2,073	16	201	40	1,872	55	1,568	16	196	39	1,372
121 days and over	10	364	8	85	2	279	7	346	6	69	1	277
Other ³	10	193	6	162	4	31	9	167	5	137	4	31

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² 2 plans covering 25,000 workers provided a shorter duration for women.

³ Include plans with no specified duration and plans for which the full-benefit period increased according to the length of time a worker participated in the plan.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE E-3.—Hospitalization: Relationship of provisions for workers and dependents, late 1955¹

Provision	Benefits during—								Maximum room and board benefit		Hospital extra service benefit	
	Full-benefit period				Extended coverage period							
	Daily room and board benefit		Duration		Daily room and board benefit		Duration		Plans	Workers (000's)	Plans	Workers (000's)
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)				
All plans providing benefit for workers and dependents	272	4,215	272	4,215	51	479	51	479	272	4,215	271	4,210
No variation in provision	224	3,696	251	3,920	50	455	51	479	218	3,629	221	3,629
Variation in provision	48	519	21	295	1	24	-	-	54	586	50	581

¹ Based on a study of 300 health and insurance plans under collective bargaining; of these, 272 plans provided hospitalization to both workers and dependents.

NOTE: All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE E-4.—Hospitalization: Distribution of plans by duration of full-benefit and extended coverage periods for workers and dependents, late 1955¹

Duration of full-benefit period	All plans ²		Duration of extended coverage period													
			Less than 90 days		90 days		91 but less than 180 days		180 days		181 but less than 245 days		245 days		246 days and over	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
<u>Workers</u>																
All plans with extended coverage provisions	55	529	5	52	7	53	5	39	30	323	2	8	5	48	1	6
Under 21 days	3	48	1	35	-	-	2	13	-	-	-	-	-	-	-	-
21 days	30	325	-	-	2	16	-	-	28	309	-	-	-	-	-	-
22 but less than 60 days	4	22	-	-	3	21	1	1	-	-	-	-	-	-	-	-
60 days	6	43	4	17	-	-	2	25	-	-	-	-	-	-	-	-
61 but less than 120 days	4	18	-	-	1	3	-	-	1	6	1	3	-	-	1	6
120 days	6	55	-	-	-	-	-	-	1	8	-	-	5	48	-	-
Other	2	18	-	-	1	13	-	-	-	-	1	5	-	-	-	-
<u>Dependents</u>																
All plans with extended coverage provisions	55	567	8	105	7	53	3	29	30	323	1	3	5	48	1	6
Under 21 days	1	4	-	-	-	-	1	4	-	-	-	-	-	-	-	-
21 days	30	325	-	-	2	16	-	-	28	309	-	-	-	-	-	-
22 but less than 60 days	7	120	2	74	3	21	2	25	-	-	-	-	-	-	-	-
60 days	6	31	6	31	-	-	-	-	-	-	-	-	-	-	-	-
61 but less than 120 days	4	18	-	-	1	3	-	-	1	6	1	3	-	-	1	6
120 days	6	55	-	-	-	-	-	-	1	8	-	-	5	48	-	-
Other	1	13	-	-	1	13	-	-	-	-	-	-	-	-	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 293 and 278 plans provided hospital benefits for workers and dependents, respectively.

² The difference in worker coverage figures for plans providing extended coverage for each group is accounted for by the fact that the 55 plans in each group were not identical.

³ Under 1 plan covering 13,000 workers, full-benefit period increased according to the length of time a worker participated in the plan; under the other plan the full-benefit period was 183 days.

⁴ This plan provided a full-benefit period of 183 days.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Room and Board Allowances

Service Plans.—Under virtually all plans providing service-type room and board benefits, workers and dependents were eligible for semiprivate accommodations during the full-benefit period without extra cost for the hospital services provided. Semiprivate accommodations were generally described as rooms having 2 beds or 2 and not more than 4 beds. If the patient occupied a private room, a specified cash allowance or the amount charged by the hospital for the accommodations to which the patient was entitled was allowed toward the cost of the private room; the patient was responsible for the difference.

Extended coverage periods were included in 39 of the 107 plans providing service-type room and board benefits for workers. Under 30 of these 39 cases, the plan paid half the cost of the hospital accommodations during this period. Most of the remaining plans provided a fixed daily cash allowance to be applied toward all hospital charges. Essentially the same practices existed among the 41 service plans under which dependents were covered by extended coverage provisions.

Cash Plans.—Practically all of the plans with cash room and board benefits provided a fixed daily allowance (table E-5). Under these programs, reimbursement was made toward the charge for hospital accommodations up to the stipulated daily maximum. Any charge in excess of this maximum was paid for by the worker.

Daily cash room and board allowances for workers and dependents ranged from less than \$8 to more than \$16. The average allowance for workers was \$11.12 and for dependents, \$10.31. Nearly 1 out of 3 plans specifying cash daily allowances for both workers and their dependents provided a lower amount for dependents.

Generally, plans with low daily allowances also tended to provide benefits for relatively short full-benefit periods. For example, daily allowances of less than \$12 for workers and dependents were provided under a substantially larger proportion of plans specifying full-benefit periods of less than 70 days than those specifying 70 days or more (table E-5).

Less than 10 percent of the cash plans covering workers and dependents provided for extended coverage. Where such provisions were made, the daily allowance during the extended coverage period was half that provided during the full-benefit period in virtually all cases.

Maximum Allowance.—The maximum room and board allowance is the product of the daily cash allowance times the maximum number of days of hospital stay provided under the plan. Obviously, this allowance can be calculated only for cash plans, since basic to the definition of a service plan is the provision that the daily benefit is provided in the form of specified hospital accommodations, i. e., semiprivate or ward. Thus, to a worker who may have to utilize the benefits under a service plan for an extended period of time, the maximum duration of the hospital stay provided would be his chief concern. In the same circumstances, under a cash plan, both the daily room and board allowance and the duration would be of particular significance. However, workers whose hospital stay is of a relatively short duration would be chiefly concerned with the amount of the daily room and board allowance, i. e., whether it covers the charge for the accommodation provided.²⁶

²⁶ The average hospital stay in nongovernmental general hospitals was somewhat less than 8 days in 1953. Only about 4 percent of all hospitalized persons remained in the hospital longer than 30 days; less than 1 percent were hospitalized longer than 60 days.

TABLE E-5.—Hospitalization: Distribution of plans by daily room and board allowance for workers and dependents and duration of full-benefit period, late 1955¹

Maximum daily room and board allowance	All plans		Maximum number of days in full-benefit period															
			Under 31		31		32 but less than 70		70		71 but less than 120		120		121 and over		Other ²	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
Worker³																		
All plans providing cash room and board benefits	186	2,076	7	61	70	816	16	161	54	433	9	158	16	201	8	85	6	162
Under \$8	11	55	-	-	9	49	-	-	-	-	2	7	-	-	-	-	-	-
\$8 but less than \$9	27	143	1	2	17	113	1	3	6	18	-	-	1	3	-	-	1	4
\$9 but less than \$10	19	351	2	8	7	287	1	14	9	43	-	-	-	-	-	-	-	-
\$10 but less than \$11	38	483	2	13	14	227	7	107	10	75	1	17	-	-	4	43	-	-
\$11 but less than \$12	10	74	-	-	5	35	-	-	3	24	-	-	-	-	2	16	-	-
\$12 but less than \$13	43	388	1	3	6	29	6	12	18	229	4	51	6	44	1	18	1	1
\$13 but less than \$14	6	72	-	-	1	4	-	-	2	10	-	-	2	50	1	8	-	-
\$14 but less than \$15	8	127	-	-	4	38	-	-	2	21	1	64	1	4	-	-	-	-
\$15 but less than \$16	16	163	-	-	5	24	-	-	3	12	1	19	6	100	-	-	1	9
\$16 and over	5	88	1	35	1	2	1	24	1	2	-	-	-	-	-	-	1	25
Daily allowance not specified	3	131	-	-	1	8	-	-	-	-	-	-	-	-	-	-	2	123
Average maximum daily allowance ⁴	\$11.12																	
Dependents																		
All plans providing cash room and board benefits	175	1,966	8	44	77	1,009	9	40	44	361	10	109	16	196	6	69	5	137
Under \$8	21	129	1	4	13	84	3	19	-	-	4	22	-	-	-	-	-	-
\$8 but less than \$9	31	353	1	2	19	288	1	3	8	52	-	-	1	3	-	-	1	4
\$9 but less than \$10	15	335	1	4	8	296	-	-	6	36	-	-	-	-	-	-	-	-
\$10 but less than \$11	35	284	4	31	13	88	1	11	10	89	1	17	2	4	4	43	-	-
\$11 but less than \$12	10	79	-	-	6	48	-	-	3	20	-	-	1	11	-	-	-	-
\$12 but less than \$13	39	414	1	3	12	150	4	7	12	144	4	51	4	40	1	18	1	1
\$13 but less than \$14	5	56	-	-	1	4	-	-	2	10	-	-	1	34	1	8	-	-
\$14 but less than \$15	6	37	-	-	3	23	-	-	2	10	-	-	1	4	-	-	-	-
\$15 but less than \$16	10	130	-	-	1	2	-	-	1	1	1	19	6	100	-	-	1	9
\$16 and over	1	25	-	-	1	25	-	-	-	-	-	-	-	-	-	-	-	-
Daily allowance not specified	2	123	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	123
Average maximum daily allowance ⁴	\$10.31																	

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 293 and 278 plans provided hospital benefits for workers and dependents, respectively.

² Includes plans under which full-benefit period was not specified and plans for which the full-benefit period increased according to the length of time a workers participated in the plan.

³ 2 plans covering 25,000 workers provided a shorter duration for women.

⁴ Arithmetical average: Amount of benefit provided to worker and dependent by each plan was weighted by total number of workers covered by that plan.

NOTE: All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Considerable variation existed in the maximum room and board allowances provided per hospital stay under the 176 and 167 plans covering workers and dependents, respectively (table E-6).²⁷ Nearly a fourth of the plans allowed a maximum of \$1,000 or more to the worker; almost a fifth of the plans extending benefits to dependents provided a maximum of \$1,000 or more. On the average, the maximum room and board allowance available to workers per hospital stay was \$781. Dependents' maximum coverage amounted to an average of \$673. Of the plans specifying a maximum room and board benefit for both workers and dependents, identical benefits were provided both groups under the large majority of the plans (table E-3).

TABLE E-6.—Hospitalization: Distribution of plans by maximum room and board allowance for workers and dependents, late 1955¹

Maximum room and board allowance per hospital stay ²	Plans covering			
	Workers		Dependents	
	Number	Workers (000's)	Number	Workers (000's)
All plans with maximum room and board allowance -----	176	1,848	167	1,813
Under \$150 -----	-	-	1	2
\$150 but less than \$200 -----	4	17	7	19
\$200 but less than \$250 -----	21	142	27	370
\$250 but less than \$300 -----	10	297	9	300
\$300 but less than \$350 -----	20	276	20	131
\$350 but less than \$400 -----	8	33	12	96
\$400 but less than \$450 -----	6	49	4	27
\$450 but less than \$500 -----	5	24	2	27
\$500 but less than \$550 -----	3	42	1	1
\$550 but less than \$600 -----	6	18	8	52
\$600 but less than \$650 -----	10	45	7	37
\$650 but less than \$700 -----	2	39	1	4
\$700 but less than \$750 -----	14	87	13	102
\$750 but less than \$800 -----	3	17	5	87
\$800 but less than \$850 -----	17	227	9	128
\$850 but less than \$900 -----	-	-	1	5
\$900 but less than \$950 -----	4	38	6	64
\$950 but less than \$1,000 -----	3	24	3	13
\$1,000 but less than \$1,200 -----	8	32	5	18
\$1,200 but less than \$1,400 -----	4	39	5	52
\$1,400 but less than \$1,600 -----	11	180	7	96
\$1,600 but less than \$1,800 -----	1	4	1	4
\$1,800 but less than \$2,000 -----	12	189	11	165
\$2,000 and over -----	4	29	2	13
Average maximum room and board allowance ³ -----		\$781		\$673

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 293 and 278 plans provided hospital benefits for workers and dependents, respectively. Where the maximum room and board allowance was not specified it was computed by multiplying the maximum daily allowance by the number of days of hospital stay provided. Excluded from this table are all service-type plans and a few cash or cash and service type plans under which maximum room and board allowance was not computable.

² 2 plans covering 25,000 workers provided a lesser amount for women.

³ Arithmetical average computed by weighting amount of maximum room and board allowance each plan provided by total number of workers covered by plan.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Hospital Extra Allowances

Allowances for hospital charges other than for room and board were provided in all except one of the plans covering workers and dependents. Various methods were used in providing these benefits. However, the large majority

²⁷ Where the maximum room and board allowance was not specified, it was computed by multiplying the maximum daily allowance by the number of days of hospital stay provided. Included in this computation were the allowances provided during the full-benefit period and the extended coverage period. Excluded from table E-6 were all plans providing service benefits and those plans with cash or a combination cash and service benefit under which the maximum amount was not computable.

of plans called for the payment during the entire benefit period of (1) charges up to a fixed maximum or (2) the full cost of specified services (table E-7). Some plans provided full payment up to a certain level but made allowance for further reimbursement on a percentage basis if the stipulated level was exceeded; for example, a plan may reimburse the insured individual for all extra charges up to \$240 plus 75 percent of charges in excess of that amount up to a specified maximum. Under the service type, some plans paid the full cost of specified services during part of the benefit period (the full-benefit period) and provided reimbursement on a percentage basis, usually 50 percent, during the remainder of the benefit period (extended coverage).

TABLE E-7.—Hospitalization: Method of specifying allowance for hospital extras for workers and dependents, late 1955¹

Method	Plans covering—			
	Workers		Dependents	
	Number	Workers (000's)	Number	Workers (000's)
All plans providing benefit for extra hospital services	292	4,904	277	4,274
Allowance provided for expenses incurred:				
Up to a fixed amount	120	1,365	112	1,364
Up to a fixed amount with additional reimbursement on a percentage basis	31	844	33	364
Up to difference between room and board charges and a fixed amount	8	99	5	21
Other	4	130	4	130
Benefits provided on a service basis:				
For entire benefit period	90	2,047	81	1,965
For part of benefit period and reimbursement of percentage of cost of services for remainder of period	32	358	34	367
For part of benefit period and reimbursement of difference between room and board charges and a fixed amount for remainder of benefit period	6	50	6	53
Other	2	10	2	10

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 293 and 278 plans provided hospital benefits for workers and dependents, respectively.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Plans providing benefits in the form of services rather than cash allowance typically listed those benefits for which the cost was covered (in full or in part), and those excluded. The specified services varied considerably among plans. In all cases, use of operating or cystoscopic room and supplies (such as bandages, splints, material for casts and anesthetic material) were covered in full. The plans also paid for certain laboratory services variously defined. Reimbursement for full cost of certain drugs was common; this specification generally included all medications listed in the latest editions of The United States Pharmacopeia, The National Formulary, and New and Nonofficial Remedies. Less frequently included were diagnostic and therapeutic X-ray, and blood for transfusion.

The 120 plans stipulating a maximum cash allowance for workers varied widely in the amounts provided, ranging from less than \$50 to more than \$600 (table E-8). The median amount provided under these plans was between \$125 and \$150 for workers. On the whole, dependents' allowances were slightly lower.

TABLE E-8.—Hospitalization: Distribution of plans providing full reimbursement of charges for hospital extras up to a fixed maximum by amount provided workers and dependents, late 1955¹

Maximum amount	Plans covering—			
	Workers		Dependents	
	Number	Workers (000's)	Number	Workers (000's)
All plans providing allowance for full reimbursement of hospital extras up to a fixed maximum	120	1,365	112	1,364
Under \$50	7	27	6	30
\$50 but less than \$75	12	316	16	319
\$75 but less than \$100	11	41	10	73
\$100 but less than \$125	25	262	26	238
\$125 but less than \$150	8	83	6	101
\$150 but less than \$175	15	67	12	184
\$175 but less than \$200	2	7	2	5
\$200 but less than \$225	12	258	10	94
\$225 but less than \$250	4	59	5	88
\$250 but less than \$300	3	44	1	13
\$300 but less than \$400	11	52	7	75
\$400 but less than \$500	2	15	2	65
\$500 but less than \$600	5	63	7	57
\$600 and over	3	73	2	23

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 293 and 278 plans provided hospital benefits for workers and dependents, respectively.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Plans providing a cash allowance to cover expenses incurred up to a fixed level, plus additional reimbursement on a percentage basis, paid 75 percent of the charges in excess of the full-reimbursable amount in all except 1 case (table E-9). However, under most plans having this feature, a limit was placed on the amount that was reimbursable. These limits ranged from \$375 to \$3,750. More than two-thirds of the plans covering workers and dependents stipulated a maximum of less than \$2,500.

Four-fifths of the 271 plans providing extra hospital allowances for both workers and dependents specified identical benefits for both groups (table E-3). Under only one plan where benefits differed was the dependents' allowance more liberal than that provided the worker.

Reduction in Benefits During Active Employment

As shown in table A-13, the hospital benefit was rarely modified on the basis of age during active employment. Only six plans reduced benefits when the worker attained a specified age. Under 3 of these, the duration of the benefit for the worker and his dependents was reduced from over 120 days to 20 days per year when the active worker reached age 70. Of the remaining 3 plans, 2 placed a limit on the total amount of hospital, surgical, and/or medical benefits payable to both the worker and his dependents after the worker attained age 65; and 1 plan placed the benefit available to each group on a "per-year" rather than a "per-disability" basis when the worker reached age 60.

Benefits for Retired Workers and their Dependents

Thirty-nine of the 67 plans extending hospital benefits to retired workers provided the same benefits, in all respects, as those available to the worker

immediately prior to retirement.²⁸ A slightly larger proportion (36 out of 56) of plans extending benefits to dependents of retired workers maintained the same provisions that were provided dependents of active workers.

TABLE E-9.—Hospitalization: Distribution of plans providing full reimbursement of charges for hospital extras up to a fixed amount with additional reimbursements on a percentage basis by amount for workers and dependents, late 1955¹

Amount		Plans covering—			
		Workers		Dependents	
		Plans	Workers (000's)	Plans	Workers (000's)
All plans providing for full reimbursement of hospital extras up to a fixed maximum with additional reimbursement on a percentage basis -----		² 30	² 838	² 32	² 358
<u>Basic amount</u>	<u>Plus 75 percent of next—</u>				
\$75 -----	\$1,200 -----	1	7	1	7
\$100 -----	\$3,900 -----	1	18	1	18
\$120 -----	\$1,200 -----	1	35	1	35
\$120 -----	\$1,880 -----	-	-	1	12
\$150 -----	\$1,850 -----	1	12	-	-
\$150 -----	\$2,000 -----	3	88	3	88
\$160 -----	\$1,000 -----	-	-	1	25
\$180 -----	\$1,620 -----	1	4	1	4
\$200 -----	\$1,000 -----	1	25	-	-
\$200 -----	\$1,800 -----	1	6	1	6
\$200 -----	\$2,400 -----	4	21	4	21
\$200 -----	\$5,000 -----	1	9	1	9
\$220 -----	\$1,000 -----	2	11	2	11
\$220 -----	Excess -----	-	-	1	11
\$225 -----	\$4,000 -----	1	3	1	3
\$240 -----	\$500 -----	1	8	1	8
\$240 -----	\$1,000 -----	-	-	2	8
\$240 -----	\$2,000 -----	-	-	1	5
\$240 -----	Excess -----	1	3	1	3
\$250 -----	\$2,000 -----	-	-	1	2
\$250 -----	\$4,000 -----	1	5	1	5
\$250 -----	Excess -----	1	50	1	50
\$260 -----	\$4,000 -----	1	3	1	3
\$280 -----	\$960 -----	-	-	1	4
\$280 -----	\$2,000 -----	1	14	1	14
\$290 -----	\$2,000 -----	1	2	-	-
\$300 -----	\$1,733 -----	1	5	1	5
\$300 -----	\$4,000 -----	1	6	-	-
\$310 -----	\$2,253 -----	1	2	1	2
\$320 -----	\$1,000 -----	1	2	-	-
\$500 -----	Excess -----	1	500	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 293 and 278 plans provided hospital benefits for workers and dependents, respectively.

² Excludes 1 plan, covering 6,000 workers that provided \$500 basic amount plus 50 percent of the next \$1,500 of charges.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Benefits for each group under the remaining plans were reduced in several ways. Plan benefits were made less liberal by reducing one or more of the benefit provisions, i. e., room and board allowance, extra service allowance, duration, etc. Frequently, the same benefit schedule was provided, but the maximum amount payable for each disability prior to retirement represented the total payment under the plan during the entire period of retirement. Once these benefits were exhausted, coverage under the hospital plan ceased. To illustrate, a plan provided a daily room and board allowance of \$10 a day for 70 days with an allowance of \$200 for extra hospital expenses. These benefits were available prior to retirement for each separate disability. However, the retired worker and dependent received these benefits only once during the entire period of retirement.

²⁸ For this analysis, benefits available to the worker retiring at age 65 were compared with those available to him immediately prior to retirement (i. e., at age 64). It has been previously noted that benefits for the active worker may have been reduced as he reached a certain advanced age.

A few plans which provided the same benefit schedule that was available before retirement, specified a maximum amount during retirement to be applied not only to hospital expenses but also to surgical and medical expenses. For example, a plan provided for semiprivate accommodations and full cost of specified extra services per disability prior to retirement. During retirement, reimbursement for all hospital, surgical, and medical expenses combined was limited to \$1,000.

Another type of reduction involved shifting the method of payment from a "per-disability" to a "per-year" basis. Under this approach, the same schedule of benefits was available to both the active and retired worker; however, the latter was eligible for the benefits only once a year, whereas the former could use the full-benefit schedule for each disability.

The length of the full-benefit period available to retired workers and to their dependents was most frequently 120 days, provided in about a third of the plans covering each group (table E-10). Slightly fewer plans granted a 70-day

TABLE E-10.—Hospitalization: Distribution of plans by duration of full-benefit period for retired workers and their dependents and type of room and board benefit, late 1955¹

Duration of full-benefit period	Type of room and board benefits provided											
	Retired workers						Dependents of retired workers					
	All plans		Cash		Service		All plans		Cash		Service	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans extending hospital benefits -----	67	1,784	32	383	35	1,401	56	1,729	23	332	33	1,396
21 days -----	5	56	-	-	5	56	5	56	-	-	5	56
22 but less than 31 days -----	1	3	-	-	1	3	1	3	-	-	1	3
31 days -----	7	34	5	18	2	16	4	24	3	11	1	13
32 but less than 70 days -----	3	28	2	25	1	3	2	17	1	14	1	3
70 days -----	15	114	11	57	4	57	13	103	9	45	4	57
71 but less than 120 days -----	5	49	3	27	2	22	5	49	3	27	2	22
120 days -----	20	964	3	16	17	948	19	962	2	13	17	948
121 days and over -----	4	300	2	21	2	279	3	298	2	21	1	277
Other ² -----	7	235	6	217	1	18	4	220	3	202	1	18

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers. See p. 50 for a discussion of provisions affecting the frequency and duration of benefit payments to retired workers and dependents.

² Includes plans with no specified duration and plans for which the full-benefit period increased according to the length of time a worker participated in the plan.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

full-benefit period. The most common duration found in plans providing cash room and board benefits was 70 days, as against 120 days in service-type plans. Extension of hospital benefits to retired workers was more commonly found in plans providing service room and board benefits to active workers.

Under cash plans covering retired workers and dependents, the daily room and board allowances were the same as those provided prior to retirement in the large majority of cases. The amounts ranged from less than \$8 to \$15, with about two-thirds of the plans covering retired workers and dependents providing \$10 to \$13 daily (table E-11). Under virtually all plans providing a daily benefit of \$10 or more to retired workers and dependents, the full-benefit period was 70 days or more. Only three plans specified a lower daily allowance for the dependent than for the retired worker.

TABLE E-11.—Hospitalization: Distribution of cash plans by daily room and board allowance for retired workers and their dependents, late 1955¹

Maximum daily room and board allowance	Plans covering—			
	Retired worker		Dependents of retired worker	
	Number	Workers (000's)	Number	Workers (000's)
All plans extending cash benefit	32	383	23	332
Under \$8	3	20	3	14
\$8 but less than \$9	1	3	-	-
\$9 but less than \$10	3	27	3	18
\$10 but less than \$11	9	52	7	47
\$11 but less than \$12	2	14	-	-
\$12 but less than \$13	10	136	7	126
\$13 but less than \$14	1	3	1	3
\$14 but less than \$15	1	4	1	4
\$15	1	4	-	-
Daily allowance not specified	1	120	1	120

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 67 and 56 plans extended hospital benefits to retired workers and dependents, respectively. See p. 50 for a discussion of provisions affecting the level and amount of benefit payments to retired workers and dependents.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Eleven plans included extended coverage periods for retired workers and their dependents. In all except two plans, coverage was of the service type (semiprivate accommodations). Under the 9 plans providing service-type benefits, the full-benefit period was most frequently 21 days; the extended coverage period was usually 180 days or more. During the extended coverage period, the worker received an allowance generally equal to 50 percent of that provided during the full-benefit period.

Under the 4 plans providing for discontinuance of benefits during the retirement period (table A-9), the benefits remained in effect for not more than 1 year after the worker retired.

Surgical Benefits

Of the 300 plans studied, 294 and 263 plans provided surgical benefits for workers and dependents, respectively. These benefits were generally provided under group contracts purchased from insurance companies or nonprofit organizations such as Blue Shield. In a few plans, the benefits were self-insured.

Surgical benefits were available for virtually all types of operations incident to nonoccupational disabilities performed in the hospital and, in the overwhelming majority of plans, in the doctor's office or in the home as well (table F-1). Benefits for operations performed outside the hospital, however, were sometimes limited to surgery in specialists' offices or to cases involving minor surgery, such as a tonsillectomy, removal of certain types of cysts, and emergency treatment for injuries.

TABLE F-1.—Surgical: Types of plans covering workers and dependents, late 1955¹

Provision	Plans covering—			
	Workers		Dependents	
	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing benefit	294	4,917	263	4,190
Benefits provided for operations in:				
Hospital, doctor's office, and home	273	3,806	236	3,039
Hospital and doctor's office	12	1,034	7	316
Hospital only	9	78	20	835
Benefits provided in form of:				
Cash	280	4,405	252	3,721
Service	14	512	11	469

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Types of Plans

Two types of surgical benefits were available under the plans studied—service plans and cash plans. Under the service plan the full cost of an operation was covered, that is, no maximum was set.²⁹ Under the cash plan the common procedure was to provide cash surgical benefits, that is, stipulated allowances were provided to apply toward the surgeon's charge. Unlike hospitalization, surgical benefits were seldom provided on a service basis (table F-1).

Cash Plans

Each cash plan typically provided a listing setting forth the maximum allowances payable for specified surgical procedures. This listing was commonly referred to in the plan as the "schedule of surgical allowances." Under these plans, the individual was reimbursed only for the actual surgical fee charged, if the charge was less than the maximum stipulated in the schedule. If the surgeon's fee was higher than the allowance provided in the schedule, the individual was liable for the difference. Under 40 plans utilizing Blue Shield, however, participating doctors agreed to accept the schedule allowance as full payment for surgery performed if the worker's individual or family income did not exceed

²⁹ Under some service plans, certain minor surgical procedures were not covered, e. g., tonsillectomies; in others, a nominal charge was made in connection with certain minor surgical procedures. Among the organizations providing benefits on a service basis were the Health Insurance Plan of Greater New York, the Kaiser Foundation Health Plan, the United Mine Workers Welfare and Retirement Fund, and the St. Louis Labor Health Institute.

a specified amount (table F-2). Under these programs, if the income fell within the limitations specified, workers and dependents were, in effect, given a service benefit, that is, the worker was assured that the entire surgeon's fee for a listed operation would be paid by the plan.

TABLE F-2.—Surgical: Cash plans with income limitation features, late 1955¹

Provision			Plans	Workers (000's)
All cash surgical plans under which schedule allowance was accepted as full payment if annual income was under			² 40	928
<u>Individual coverage</u>	<u>Family of 2</u>	<u>Family of 3 or more</u>		
\$2,000	\$2,500	\$2,500	2	10
\$2,000	\$2,500	\$3,000	1	3
\$2,000	\$3,000	\$4,000	5	27
\$2,400	\$3,200	\$4,000	1	5
\$2,400	\$3,600	\$3,600	1	9
\$2,400	\$4,000	\$4,000	1	7
\$2,500	\$4,000	\$4,000	6	26
\$3,000	\$4,000	\$5,000	3	40
\$3,000	\$4,500	\$6,000	1	11
\$3,000	\$5,500	\$5,500	3	9
\$3,600	\$4,200	\$4,200	1	13
\$3,750	\$5,000	\$5,000	6	691
\$5,000	\$5,000	\$5,000	8	72
\$6,000	\$6,000	\$6,000	1	5

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these 294 and 263 plans provided surgical benefits for workers and dependents, respectively.

² All 40 plans cover dependents as well as workers.

Amount of Benefits.—Surgical fee schedules, which are typically set forth in great detail, are usually classified according to the allowance provided for the most expensive operation listed. This amount is referred to as the "maximum schedule allowance." In addition to the maximum schedule allowance, allowances provided for an appendectomy and a tonsillectomy, two of the more common surgical procedures, were tabulated for this study to provide some indication of the variation among plans in schedule allowances.

The maximum schedule allowance ranged from \$100 to \$565 for workers and from \$75 to \$565 for dependents (table F-3). The most common amounts specified under the 280 and 252 plans providing cash benefits to workers and dependents, respectively, were \$200, \$250, and \$300. The average maximum schedule allowances were \$263 for workers and \$256 for dependents.

All but 31 of the 246 plans with cash benefits for both workers and dependents provided identical maximum schedule allowances for each group. Where a lower amount was available for dependents, it was in no case less than 50 percent of the amount provided workers, as indicated below:

<u>Percent of maximum schedule allowance provided workers that was provided dependents</u>	<u>Plans</u>	<u>Workers (000's)</u>
All plans providing a lower maximum allowance for dependents than for workers	31	247
50 but less than 60 percent	4	18
60 but less than 70 percent	10	80
70 but less than 80 percent	5	58
80 but less than 90 percent	12	91

TABLE F-3.—Surgical: Distribution of plans by maximum schedule and appendectomy allowance for workers and dependents, late 1955¹

Maximum schedule allowance ²	All plans		Maximum allowance for appendectomy													
			Under \$100		\$100		More than \$100 but less than \$125		\$125		More than \$125 but less than \$150		\$150		Other	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
Workers																
All plans providing cash benefits	280	4,405	7	75	101	1,196	11	82	59	1,331	6	28	76	1,350	³ 20	³ 343
\$100	3	61	3	61	-	-	-	-	-	-	-	-	-	-	-	-
\$150	21	118	2	8	19	110	-	-	-	-	-	-	-	-	-	-
\$200	80	1,061	2	6	70	1,027	3	11	1	7	3	6	1	4	-	-
\$225	27	207	-	-	6	37	-	-	2	20	-	-	19	151	-	-
\$240	6	28	-	-	-	-	6	28	-	-	-	-	-	-	-	-
\$250	50	675	-	-	5	19	1	37	39	535	-	-	1	15	4	69
\$300	76	1,923	-	-	1	3	-	-	15	767	-	-	54	1,117	6	36
\$350	6	69	-	-	-	-	1	7	-	-	-	-	-	-	5	63
Over \$350	3	108	-	-	-	-	-	-	-	-	-	-	1	64	2	44
Other ⁴	8	156	-	-	-	-	-	-	2	2	3	22	-	-	3	131
Average maximum schedule allowance ⁵	\$263															
Average allowance for appendectomy ⁵	\$128															
Dependents																
All plans providing cash benefits	252	3,721	11	112	97	1,187	12	56	57	1,301	5	59	58	781	⁶ 12	⁶ 225
\$100	1	12	1	12	-	-	-	-	-	-	-	-	-	-	-	-
\$150	24	181	5	82	19	99	-	-	-	-	-	-	-	-	-	-
\$200	74	1,082	2	6	64	1,015	4	18	1	7	2	17	-	-	1	20
\$225	20	175	-	-	6	37	-	-	2	20	-	-	12	118	-	-
\$240	6	29	-	-	-	-	6	29	-	-	-	-	-	-	-	-
\$250	43	527	-	-	5	19	-	-	37	505	-	-	-	-	1	3
\$300	65	1,387	-	-	2	13	-	-	15	767	-	-	45	599	3	8
\$350	3	47	-	-	-	-	1	7	-	-	-	-	-	-	2	40
Over \$350	3	87	-	-	-	-	-	-	-	-	-	-	1	64	2	23
Other ⁴	13	194	3	13	1	4	1	4	2	2	3	42	-	-	3	131
Average maximum schedule allowance ⁵	\$256															
Average allowance for appendectomy ⁵	\$122															

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 294 and 263 plans provided surgical benefits for workers and dependents, respectively.

² Refers to the surgical fee allowance for the most expensive operation listed in the surgical schedule.

³ 4 plans covering 69,000 workers provided an allowance of more than \$150 but less than \$175, 14 plans covering 151,000 workers provided an allowance of \$175 or more, and 2 plans covering 123,000 workers did not provide a specific allowance.

⁴ Includes amounts other than those exact amounts specified.

⁵ Arithmetical average computed by weighting amount of allowance for most expensive operation and amount of appendectomy allowance each plan provided by total number of workers covered by plan.

⁶ 1 plan covering 3,000 workers provided an allowance of more than \$150 but less than \$175, 9 plans covering 99,000 workers provided an allowance of \$175 or more, and 2 plans covering 123,000 workers did not provide a specific allowance.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

The appendectomy allowance provided workers and dependents ranged from less than \$100 to more than \$175 and averaged \$128 and \$122 for each group, respectively (table F-3). In the 31 plans providing a lower appendectomy allowance for dependents than for the worker, the maximum schedule allowance was also less for dependents. The relationship between the appendectomy allowance and the maximum schedule allowance, as shown in table F-3, presents a more revealing picture of the differences among plans in the liberality of surgical benefits than either allowance taken separately. With the exception of plans with a maximum schedule allowance of less than \$200, the amount provided for an appendectomy was usually about half of the maximum schedule allowance provided by the plan.

For both workers and dependents, the amount allowed for a tonsillectomy ranged from less than \$25 to more than \$60 (table F-4). The average tonsillectomy allowance provided workers was \$43. On the average, an adult dependent received a slightly higher allowance than a child (\$42 and \$38, respectively). A different allowance was provided to adult and child dependents under 55 plans, each of which stipulated a reduced amount for dependents under a certain age, usually 12 years. However, in no case did the maximum schedule allowance for a child differ from that provided an adult dependent.

TABLE F-4.—Surgical: Distribution of plans by tonsillectomy allowance for workers and dependents, late 1955¹

Allowance for tonsillectomy	Plans covering—					
	Workers		Dependents			
	Plans	Workers (000's)	Adult		Child	
			Plans	Workers (000's)	Plans	Workers (000's)
All plans providing cash benefit	280	4,405	252	3,721	252	3,721
Less than \$25	1	1	6	57	8	66
\$25	19	121	19	142	26	162
\$25.01 but less than \$30	1	4	1	4	1	4
\$30	58	631	54	650	85	1,049
\$30.01 but less than \$35	2	5	1	4	1	4
\$35	15	66	15	91	15	201
\$35.01 but less than \$40	28	218	23	200	25	210
\$40	19	506	18	421	15	427
\$40.01 but less than \$45	12	809	8	712	10	730
\$45	36	884	29	361	29	361
\$45.01 but less than \$50	1	18	1	18	-	-
\$50	53	589	49	568	21	182
\$50.01 but less than \$60	12	106	8	93	8	122
\$60	14	181	13	154	4	39
Over \$60	7	143	5	125	2	43
Allowance not specified	2	123	2	123	2	123
Average tonsillectomy allowance ²		\$43		\$42		\$38

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of their 294 and 263 plans provided surgical benefits for workers and dependents, respectively.

² Arithmetical average computed by weighting amount of tonsillectomy allowance each plan provided by total number of workers covered by plan.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Reduction of Benefits During Active Employment

Surgical benefits were rarely modified during active employment on the basis of age (table A-13). Of the 3 plans that reduced benefits after a worker attained a specified age, 1 limited the total amount of surgical benefits payable to workers to \$200 a year. The other two plans placed a limit on the total amount payable under the plans for surgical and other benefits during the remainder of the worker's active employment. These provisions relating to reduction of benefits were also applicable to dependents of active workers attaining the specified ages.

TABLE F-5.—Surgical: Distribution of plans by the maximum schedule and appendectomy allowance for retired workers and dependents, late 1955¹

Maximum schedule allowance ²	All plans		Maximum allowance for appendectomy							
			\$100		\$125		\$150		Other ³	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
<u>Retired workers</u>										
All plans providing cash benefit	53	1,415	10	69	22	1,058	17	154	4	134
\$200	7	57	7	57	-	-	-	-	-	-
\$225	9	71	2	9	1	11	6	51	-	-
\$250	16	343	1	3	15	340	-	-	-	-
\$300	17	811	-	-	6	708	11	103	-	-
Other ³	4	134	-	-	-	-	-	-	4	134
<u>Dependents</u>										
All plans providing cash benefit	44	1,363	9	66	20	1,039	12	129	3	129
\$200	5	52	5	52	-	-	-	-	-	-
\$225	7	57	2	9	-	-	5	48	-	-
\$250	15	334	1	3	14	331	-	-	-	-
\$300	13	788	-	-	6	708	7	80	-	-
Other ³	4	132	1	3	-	-	-	-	3	129

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these 58 and 48 plans provided surgical benefits for retired workers and their dependents, respectively. See p. 57 for a discussion of provisions affecting the amount of benefit payments to retired workers and dependents.

² Refers to the surgical fee allowance for the most expensive operation listed in the surgical schedule.

³ Includes amounts other than those exact amounts specified.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Benefits for Retired Workers and Their Dependents

Of the 58 and 48 plans extending surgical benefits to retired workers and to their dependents, respectively, the same provisions that were available to them immediately prior to the worker's retirement were maintained in about 2 out of 3 of these plans.³⁰ Under the remaining plans—all of the cash type—reduced surgical benefits were available to each group. This reduction was effected by making less liberal one or more of the provisions pertaining to the benefit. Under all of these plans, the schedule of surgical fee allowances available to active workers and dependents was also applicable after the worker retired. However, under some plans the maximum schedule allowance was the maximum amount of surgical benefits each group could receive. Thus, one operation could exhaust this coverage. Other plans stipulated a maximum amount which was applicable to surgical, hospital, and medical expenses where provided.³¹

Under the 53 and 44 plans providing cash surgical benefits to retired workers and to their dependents, respectively, the maximum surgical schedule allowance ranged from \$200 to \$300 (table F-5). In about 1 out of 5 plans, the maximum schedule allowance was also the total amount of surgical coverage available to each group during the entire retirement period. The benefit allowed for an appendectomy varied from \$100 to \$150 and was usually 50 percent of the maximum schedule allowance.

In all but one of the plans extending coverage to the dependents of retired workers, the allowances provided dependents were the same as those for retired workers. The one plan which provided less liberal allowances for retired workers' dependents also specified lower allowances for the dependents of active workers.

Under the 4 plans providing for discontinuance of benefits during the retirement period (table A-9), the benefits remained in effect for not more than 1 year after the worker retired.

³⁰ For this analysis, benefits available to the worker retiring at age 65 were compared with those available to him immediately prior to retirement (i. e., at age 64).

³¹ See Hospital Benefits, p. 51, for a description of this type of provision.

Medical Benefits

As previously explained (p. 3), medical benefits discussed in this section are allowances for physicians' visits. Such allowances are provided in the form of cash or service.

Of the 300 plans studied, medical benefits were available under 193 and 145 plans covering workers and dependents, respectively. Like hospital and surgical benefits, medical benefits were generally provided through group contracts purchased from insurance companies or nonprofit organizations such as Blue Shield; under a few plans the benefits were self-insured by the fund to which contributions were made or by the employer.

In virtually all cases, medical benefits were provided for the doctor's services received in the hospital (table G-1). Slightly less than half of the plans provided medical benefits to workers for treatments outside of the hospital. About 1 out of 6 plans providing benefits for dependents made available out-of-hospital medical care.

TABLE G-1.—Medical: Types of plans covering workers and dependents, late 1955¹

Provision	Plans covering—			
	Workers		Dependents	
	Number	Workers (000's)	Number	Workers (000's)
All plans providing medical benefits -----	193	3,683	145	2,774
Benefits provided for treatment in:				
Hospital only -----	99	1,610	121	1,815
Hospital, doctor's office, and home -----	² 76	1,227	10	218
Hospital, doctor's office, home, and Health or Medical center -----	9	171	7	162
Health or Medical Center only -----	5	349	4	293
Other ³ -----	⁴ 4	326	⁴ 3	287
Benefits provided in form of:				
Cash -----	17 ²	2,822	130	2,012
Service -----	19	861	15	762

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Includes 1 plan that provided benefits for home, office, and hospital treatment for sickness and provided benefits for treatment of accident disabilities only in the hospital.

³ Includes 1 plan that provided benefits for treatment only for disabilities caused by accidents.

⁴ Includes 1 plan that provided benefits for treatment at hospital and in specialist's office.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

An insured worker became eligible for benefit coverage after completing the eligibility requirements, if any, specified under the plan (table A-12). Upon completion of these requirements, a sick or injured worker, or his dependent, qualified for benefits either immediately or after a specified number of treatments or days of disability.

Cash Plans

Nine out of 10 medical benefit plans provided cash allowances for workers and dependents (table G-1). As in the case of surgical benefits, these benefits were primarily provided through group insurance contracts purchased from commercial insurance companies or nonprofit organizations such as Blue Shield. Each contract contained a schedule of medical fee allowances for physicians' visits and the maximum amount payable under the plan for medical care. If, for example,

the doctor's charge for a visit exceeded the allowance, or if he made more visits than the maximum number specified, the insured individual was responsible for the difference. However, under 30 plans utilizing Blue Shield, participating doctors agreed to accept the allowances specified under the plan, for services covered by the plan, as full payment if the worker's individual or family income did not exceed a specified amount (table G-2). The maximum annual income specified varied among plans, ranging from \$2,000 and \$2,500 for individual and family coverage, respectively, to \$6,000 for either type of coverage.

TABLE G-2.—Medical: Cash plans with income limitation features, late 1955¹

Provision			Plans	Workers (000's)
All cash medical plans under which schedule allowance was accepted as full payment if annual income was under -----			^a 30	743
Individual coverage	Family of 2	Family of 3 or more		
\$2,000	\$2,500	\$2,500 -----	2	10
\$2,000	\$2,500	\$3,000 -----	2	14
\$2,000	\$3,000	\$4,000 -----	4	22
\$2,400	\$3,200	\$4,000 -----	1	5
\$2,400	\$3,600	\$3,600 -----	1	9
\$2,400	\$4,000	\$4,000 -----	1	7
\$2,500	\$4,000	\$4,000 -----	3	7
\$3,000	\$4,000	\$5,000 -----	3	40
\$3,000	\$4,500	\$6,000 -----	1	11
\$3,600	\$4,200	\$4,200 -----	1	13
\$3,750	\$5,000	\$5,000 -----	4	545
\$5,000	\$5,000	\$5,000 -----	6	58
\$6,000	\$6,000	\$6,000 -----	1	5

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these 193 and 145 plans provided medical benefits for workers and dependents respectively.

^a All 30 plans cover dependents as well as workers.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

Location of Treatments.—Of the 174 plans providing cash benefits for workers, all except 1 specified an allowance for in-hospital treatment (table G-3). About 2 out of 5 plans provided allowances for home and office treatment. Although all plans providing cash benefits for dependents stipulated an allowance for treatment in the hospital, less than 1 out of 10 covered visits in the doctor's office and home calls.

Waiting Period.—The waiting period for cash benefits varied according to the type of disability (accident or sickness) and in some cases, according to where the treatment was administered (in the hospital, doctor's office, or home). Provisions governing payment of benefits for disabilities caused by accidents were, for the most part, far less restrictive than those governing benefit payments for disabilities resulting from sickness. Usually, payment began immediately for treatment of disabilities due to accidents, regardless of where the treatment was given (hospital, doctor's office, or home).

Under the 173 plans providing in-hospital care for workers, benefits in case of sickness began immediately under 7 out of 10 plans. Under the large majority of plans which did not make benefits available immediately to workers upon being hospitalized, the waiting period did not exceed 3 days or the third visit. Moreover, a third of the plans which specified a longer waiting period made benefits retroactive to the first day or first visit after a specified period of

TABLE G-3.—Medical: Distribution of cash plans by allowance provided for doctor's treatment for workers and dependents, late 1955¹

Maximum allowance per treatment	Plans covering workers						Plans covering dependents					
	Allowance provided for treatment in—						Allowance provided for treatment in—					
	Hospital ²		Doctor's office		Home		Hospital ²		Doctor's office		Home	
	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)
All plans providing cash benefit	173	2,817	74	1,209	74	1,232	130	2,012	11	203	9	193
\$2	-	-	23	185	-	-	-	-	3	46	-	-
\$3	95	814	33	274	28	196	74	686	5	21	4	50
\$3.50	2	33	2	27	2	19	2	33	1	13	-	-
\$4	29	1,330	11	590	4	51	24	793	-	-	1	2
\$4.50	4	31	-	-	6	36	-	-	-	-	-	-
\$5	36	437	1	3	21	680	25	346	-	-	2	9
\$6	1	5	-	-	9	79	1	5	-	-	-	-
Other ³	6	168	4	131	4	170	4	150	2	124	2	133

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 193 and 145 plans provided medical benefits for workers and dependents, respectively.

² In a number of plans the payment was based on a daily allowance for each day hospitalized rather than on a per treatment basis. For a discussion of this type of benefit see p. 62. In a few plans a higher allowance was available for the first few visits; the lower amounts which applied subsequently were used in this table. Some plans made higher allowances available for an extended number of visits and then reduced the amount; under the few such plans, the higher amount was used in this table.

³ Includes amounts other than those exact amounts specified.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE G-4.—Medical: Distribution of cash plans according to when payments begin for doctor's treatment in office and home, for workers and dependents, late 1955¹

Payment for treatment	Allowance provided for treatment in—			
	Doctor's office		Home	
	Plans	Workers (000's)	Plans	Workers (000's)
Workers				
All plans providing allowance for treatment by doctor in office and home	74	1,209	74	1,232
For sickness	73	1,204	74	1,232
Immediately	11	235	11	259
After:				
First visit	12	599	12	599
Second visit	22	122	22	122
Third visit	9	106	9	106
Seventh visit	1	4	1	4
First day of disability	6	34	6	34
Second day of disability	2	46	2	46
Third day of disability	2	5	3	8
Seventh day of disability	8	55	8	55
For accident	73	1,208	73	1,230
Immediately	60	617	59	636
After:				
Second visit	4	33	4	33
Third visit	5	531	5	531
Third day of disability	2	8	3	12
Seventh day of disability	2	18	2	18
Dependents				
All plans providing an allowance for by doctor in office and home	11	203	9	193
For sickness	11	203	9	193
Immediately	3	128	3	128
After:				
First visit	1	5	1	5
Second visit	5	33	3	23
First day of disability	1	2	1	2
Second day of disability	1	35	1	35
For accident	11	203	9	193
Immediately	10	199	8	189
After third visit	1	4	1	4

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 193 and 145 plans provided medical benefits for workers and dependents, respectively.

² 1 plan provided benefit for treatment in the doctor's office for sickness only; 1 plan provided benefits for treatment in the doctor's office for accidental injuries only.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

hospitalization. Of the 130 plans covering dependents, 9 out of 10 provided immediate benefits.³² The waiting period did not exceed 3 days in any plan requiring a waiting period for dependents.

Under a large majority of the plans covering workers and dependents, payments in case of sickness, if given in the doctor's office or home, were not available until after a specified number of visits or days of disability (table G-4); most frequently payments began after the second visit.

Basis of Payments.—The basis of payment of medical care allowances varied not only among plans but also within plans. Among the more common bases on which payments were made were "per visit" (also specified as "per call" or "per treatment"), "per day," and "per day of hospital confinement." Under plans providing coverage in home, office, and hospital, allowances for out-of-hospital treatment were often made on a per-visit basis, while allowances for in-hospital treatment were on a per-day-of-confinement basis.

Plans providing an allowance on a "per-visit" basis usually limited the payments to one visit per day. All of the plans covering home and office care and the majority of those covering in-hospital care that based the allowance on a "per-day" basis provided payments only for days during which the doctor visited the patient. However, one-third of the plans (58) providing in-hospital medical benefits for workers made available an allowance for each day of hospital confinement rather than for each day the doctor treated the worker. Nearly half (59) the plans covering dependents provided in-hospital benefits on a "per-day-of-confinement" basis.

The allowance provided for home and office treatment typically remained the same, regardless of the number of treatments received during any period of disability. However, variations in hospital care allowances were found in a substantial number of plans. Some plans allowed a higher allowance for physician's calls during the first day or two of hospitalization than for the remainder of the insured individual's period of hospital confinement. For example, a plan may allow up to \$10 for all visits made by a doctor during the first day of hospital confinement, up to \$5 for visits made during the second day, and up to \$3 for visits made on each day thereafter. Under a few plans, the allowance was provided on a "per-visit" basis for the first or first and second day of hospitalization; thereafter payments were made on a "per-day" basis. A plan utilizing this method might provide up to \$5 for each visit during the first day of hospitalization (the maximum number of visits payable per day was usually stipulated) and up to \$3 per day for visits made during the remainder of the period of hospital confinement.

Amount of Allowance.—The amount normally available to workers per treatment in the hospital and in the home ranged from \$3 to \$6, and for treatment in the doctor's office, from \$2 to \$5 (table G-3).³³

More than half of the plans allowed up to \$3 for a hospital treatment, but a larger proportion of workers were covered by plans providing \$4 or more. Most plans allowed \$2 or \$3 for treatment in the doctor's office. Allowances for a home visit were typically higher. Under plans providing allowances for all treatment locations, the allowances for hospital and home visits were usually higher than the amount provided for an office visit.

³² In-hospital sickness benefits became available at the same time to both workers and dependents under all except 4 of the 126 plans covering both groups.

³³ For plans making available a higher allowance for the first few visits, the lower amounts which applied subsequently were used for this study; for the plans providing a higher allowance for an extended number of visits and then a reduced amount, the higher amount was used.

A few plans providing benefits for home treatment granted an additional allowance if the care was received at night, if more than one member of the family was taken care of during the same visit, or if the visit was more than a stipulated number of miles from the doctor's office. For example, 1 plan paid up to \$3.50 per visit, plus up to \$2 for each additional family member treated by the doctor during the same visit; if the home visit occurred between 11 p. m. and 7 a. m. or was over 5 miles from the doctor's office, the plan paid up to \$4 per visit.

Maximum Allowance.³⁴—The maximum amount available for medical care is of particular interest to workers required to be under the doctor's care for an extended period. It permits the worker to evaluate, in part, his maximum protection under the plan. On the other hand, a worker whose disability is of a relatively short duration would be more concerned with the allowance per treatment or per day, i. e., whether or not it is large enough to cover the doctor's charge.

A large majority of the plans applied the maximum allowance on a "per-disability" basis, that is, full benefits were available for each separate disability (table G-5).³⁵ The number of times the individual has received benefits under the plan had no bearing on the benefits available to him in case of future illnesses. Under the plans that made available the maximum allowance on a "per year" or "per 6-month" basis, the amount available for separate disabilities following the first disability during any 1 benefit year or 6-month period was the unused portion of the benefits specified for that year or period.

A few plans stipulated separate maximum allowances for treatment in the home or doctor's office and for care in the hospital. For example, 1 plan allowed up to \$310 per year for home and office treatment and \$210 per year for hospital treatment. Under such plans, the highest allowance possible would be the sum of the 2 separate allowances, e. g., \$520 in this case. Under a few plans, the maximum allowed for home and office treatment was expressed on a "per-year" basis and that for hospital care, on a "per-disability" basis.³⁶ The maximum allowances under these plans are determined in the same manner as for the example cited above.

Considerable variation existed in the maximum allowances payable under the 174 and 130 cash plans covering workers and dependents, respectively (table G-5). About a fourth of the plans, covering almost 60 percent of the workers, allowed a maximum of \$300 or more to the worker; almost a fifth of the plans extending benefits to dependents, accounting for half the total worker coverage, provided a maximum of \$300 or more. On the average, the maximum allowance provided workers was \$459. Dependents' maximum allowance averaged \$324.³⁷

³⁴ Where the maximum allowance was not specified, it was computed by multiplying the allowances provided per treatment by the number of treatments for which benefits are payable. Under plans providing different allowances for hospital, office, and home treatments, the most liberal allowance was used in computing the maximum allowance.

³⁵ A separate disability was usually described as one that was due to a different or unrelated cause or separated by a return to work or a specified period of time.

³⁶ These types of plans are included in the "Other" category in table G-5.

³⁷ The substantial difference in average maximum allowances for workers and dependents was attributable to several factors. A number of large plans (in terms of workers covered) with high maximum allowances did not provide benefits for dependents. Many plans provided more comprehensive coverage for workers than dependents; under 72 plans, workers were provided allowances for treatment in the hospital, doctor's office, and home, whereas only 9 plans covering dependents made available this comprehensive coverage. In a few plans, benefits were available to workers for a longer period than for dependents. In some plans, the allowance per visit for workers was greater than that specified for dependents.

TABLE G-5.—Medical: Distribution of plans providing cash allowance for doctor's treatment for workers and dependents by maximum amount provided and basis of payment, late 1955¹

Maximum allowance	All plans		Basis of payment					
			Per disability		Per year		Other	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
Workers								
All plans providing cash benefits -----	174	2,822	131	1,412	25	765	² 18	644
Under \$100 -----	19	107	17	100	2	7	-	-
\$100 but less than \$150 -----	15	151	9	88	6	64	-	-
\$150 but less than \$200 -----	37	322	33	234	3	60	1	29
\$200 but less than \$250 -----	26	224	22	199	3	24	1	1
\$250 but less than \$300 -----	25	252	16	195	2	5	7	52
\$300 but less than \$350 -----	9	82	4	41	1	3	4	37
\$350 but less than \$400 -----	13	313	12	298	-	-	1	15
\$400 but less than \$500 -----	13	606	6	24	5	578	2	4
\$500 but less than \$600 -----	4	30	-	-	3	24	1	6
\$600 and over -----	5	570	4	70	-	-	1	500
Not specified -----	8	165	8	165	-	-	-	-
Average maximum allowance ³ -----	\$459							
Dependents								
All plans providing cash benefits -----	130	2,012	99	1,090	21	737	⁴ 10	185
Under \$100 -----	22	124	19	107	2	7	1	10
\$100 but less than \$150 -----	16	160	9	107	5	49	2	4
\$150 but less than \$200 -----	21	182	16	108	4	64	1	10
\$200 but less than \$250 -----	28	266	25	239	3	28	-	-
\$250 but less than \$300 -----	13	120	10	99	2	10	1	11
\$300 but less than \$350 -----	3	35	3	35	-	-	-	-
\$350 but less than \$400 -----	10	300	10	300	-	-	-	-
\$400 but less than \$500 -----	9	595	4	17	5	578	-	-
\$500 but less than \$600 -----	1	26	1	26	-	-	-	-
\$600 and over -----	2	52	2	52	-	-	-	-
Not specified -----	5	150	-	-	-	-	5	150
Average maximum allowance ³ -----	\$324							

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 193 and 145 plans provided medical benefits for workers and dependents, respectively.

² Includes 7 plans under which maximum applied to a 6-month period.

³ Arithmetical average; amount of benefit during a specified period provided worker or dependent by each plan was weighted by total number of workers covered by that insurance plan.

⁴ Includes 4 plans under which maximum applied to a 6-month period.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

In-Hospital Consultation Allowance.—About 1 out of 10 plans providing cash medical benefits to workers and dependents included an allowance for specialist consultation during hospital confinement, if requested by the attending physician. Most frequently 1 consultation was specified, with an allowance of up to \$10. Under some plans which provided for 2 in-hospital consultations, the maximum amounts payable were \$15 and \$10 for the first and second consultations, respectively.

Service Plans

Service benefits were available under 19 and 15 plans covering workers and dependents, respectively. In most cases, the benefits were provided through group practice prepayment arrangements; a few plans made available benefits on a self-insured basis—that is, the fund to which contributions were made paid the cost of the medical benefits provided the covered member.

Virtually all of the plans provided for general medical and specialists' services to ambulatory patients in health or medical centers to the extent such services needed. A majority of plans also covered doctors' visits in the hospital and home.

Unlike cash plans, under plans providing service benefits the type of disability (accident and sickness) or place where the medical treatment was administered had no effect on the availability of benefits. Benefits under these plans were available beginning with the first day of disability. Under a few plans, workers and dependents were charged a nominal amount for the first home visit; however, no charge was made for followup visits. In a few other plans, treatment in the doctor's office was provided workers without cost, but dependents were charged a nominal amount (e. g., \$1) per office visit.

Reduction of Benefits During Active Employment

Medical benefits were rarely modified during active employment on the basis of age (table A-13). Of the 9 plans that reduced benefits, 8, covering workers only, reduced them at age 60 by shifting the allowance at that age from a "per-disability" basis to a "per-year" basis. For example, a plan providing \$2 for each office treatment and \$3 for hospital treatment stipulated a maximum of \$150 for all treatments during any 1 disability until age 60, after which the total of such payments was limited to \$150 in any calendar year.

Benefits for Retired Workers and Their Dependents

Under 25 of the 35 plans extending medical benefits to retired workers, the benefits provided were the same in all respects as those available to workers immediately prior to retirement (table A-8).³⁸ A slightly larger proportion of the plans (23 out of 31) extending benefits to dependents of retired workers maintained the same benefits provided dependents of active workers. The remaining plans extended less liberal benefits to each group.

Under the one service program that provided less liberal benefits for retired workers, medical benefits for retired workers were available only for treatment in the health center, whereas before retirement, benefits were also available for treatment in the hospital.

³⁸ For this analysis, benefits available to a worker retiring at age 65 were compared with those available to him immediately before retirement (i. e., at age 64).

Virtually all of the cash plans that made available less liberal benefits to retired workers provided the same schedule allowances available prior to retirement. However, under a few plans, the maximum amount payable for each disability prior to retirement represented the total payment under the plan during the entire retirement period. Once these benefits were exhausted, plan coverage ceased. For example, 1 plan provided allowances for hospital, doctor's office, and home treatment of \$5, \$3, and \$5, respectively, with a maximum allowance of \$155. These benefits were available prior to retirement for each separate disability. However, for retired workers and dependents, the maximum allowance was applicable to the entire retirement period. Other plans extended the same benefit schedule available prior to retirement but specified a maximum amount during retirement to be applied not only to medical expenses but also to hospital and surgical expenses. For example, one plan specified that reimbursement for hospital, surgical, and medical benefits would be limited to \$3,970. One plan that made available cash allowances for hospital, doctor's office, and home treatments before retirement provided only in-hospital care for retired workers.

Two out of 3 plans extending benefits to retired workers limited the benefit coverage to treatment received in the hospital (table G-6). A larger proportion of plans extending benefits to dependents limited the coverage to hospital treatment.

TABLE G-6.—Medical: Types of doctor's treatment for which benefits were extended to retired workers and dependents, late 1955¹

Benefit provided for treatment in—	Plans covering—			
	Retired workers		Dependents of retired workers	
	Number	Workers (000's)	Number	Workers (000's)
All plans extending medical benefits -----	35	1,491	31	1,346
Hospital only -----	22	866	25	886
Hospital, doctor's office, and home -----	7	163	2	133
Hospital, doctor's office, home, and health or medical center -----	4	135	3	50
Other -----	2	327	1	277

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² 1 plan provided benefits for treatment at the hospital and in the specialist's office and 1 only at the health center.

³ This plan provides benefits at the hospital and the specialist's office.

NOTE: All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

More than half the cash plans covering retired workers and dependents allowed them a maximum of \$3 for each hospital treatment (table G-7). About 40 percent of the plans provided maximum allowances of \$300 or more to retired workers and dependents (table G-8). Under four plans, the maximum allowance was also the total amount of medical coverage (excluding surgical) available to each group during the retirement period.

Under the 3 plans providing for discontinuance of benefits during the retirement period (table A-9), the benefits remained in effect for not more than 1 year after the worker retired.

TABLE G-7.—Medical: Distribution of cash plans by allowance provided for doctor's treatment for retired workers and dependents, late 1955¹

Maximum allowance per treatment	Plans covering retired workers						Plans covering dependents of retired workers					
	Allowance provided for treatment in—						Allowance provided for treatment in—					
	Hospital ²		Doctor's office		Home		Hospital ²		Doctor's office		Home	
	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)
All plans extending cash benefits -----	28	1,027	6	161	6	161	27	1,019	2	133	2	133
\$2 -----	-	-	1	3	-	-	-	-	-	-	-	-
\$3 -----	17	245	4	37	4	24	16	237	1	13	1	13
\$4 -----	8	573	-	-	1	17	8	573	-	-	-	-
\$5 -----	2	89	-	-	-	-	2	89	-	-	-	-
Other -----	1	120	1	120	1	120	1	120	1	120	1	120

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 35 and 31 plans extended medical benefits to retired workers and dependents, respectively.

² In some of the plans payment was based on a daily allowance for each day hospitalized rather than on a per treatment basis. For a discussion of this type of benefit see p. 62. In a few plans a higher allowance was available for the first few visits; the lower amounts which applied subsequently were used in this table.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE G-8.—Medical: Distribution of cash plans extending benefits to retired workers and dependents by maximum amount provided, late 1955¹

Maximum allowance	Plans covering—			
	Retired workers		Dependents of retired workers	
	Number	Workers (000's)	Number	Workers (000's)
All plans extending cash benefit to retired workers -----	28	1,027	27	1,019
Under \$150 -----	2	47	1	39
\$150 but less than \$200 -----	3	38	3	38
\$200 but less than \$250 -----	6	63	7	65
\$250 but less than \$300 -----	5	29	4	26
\$300 but less than \$350 -----	2	17	2	17
\$350 but less than \$400 -----	6	123	6	123
\$400 but less than \$500 -----	2	540	2	540
\$500 and over -----	1	50	1	50
Other -----	1	120	1	120

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 35 and 31 plans extended medical benefits to retired workers and dependents, respectively. See p. 66 for a discussion concerning limitations on benefits payable during period of retirement.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Maternity Benefits

Benefits were available to women workers and dependent wives for disabilities resulting from pregnancy in about 90 percent of the plans studied. Generally, this coverage was in the form of specific allowances or services under the various individual plan benefits, i. e., accident and sickness, hospitalization, surgical, and medical. However, under some plans, a general lump-sum allowance was provided for maternity care, usually in lieu of the separate benefit allowances provided by the plan.

Most plans providing maternity benefits limited the availability, amount, or duration of benefits to levels below those provided for other types of disabilities.

Benefits available for a disability resulting from pregnancy were provided in 272 and 263 plans covering workers and dependents, respectively (tables H-1 and H-2).³⁹ More than half of the plans (150) provided a combination of accident and sickness, hospital, and surgical benefits for workers in maternity cases;

TABLE H-1.—Maternity: Benefits provided women workers, late 1955¹

(x indicates benefits provided under plan; dashes, no benefits provided)

Benefits provided					Plans	Workers ² (000's)
Weekly accident and sickness	Hospital	Surgical	Medical	General lump-sum allowance		
					272	4,799
x	x	x	-	-	150	2,361
-	x	x	-	-	65	953
-	-	-	-	x	22	728
-	x	x	x	-	8	414
x	x	x	x	-	7	129
-	x	-	-	-	6	74
x	-	-	-	x	4	34
x	-	-	-	-	3	39
-	x	-	-	x	2	25
x	x	-	-	-	1	3
x	-	x	-	-	1	13
-	-	x	-	x	1	10
-	-	x	-	-	1	9
-	-	-	x	x	1	9

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Number of workers covered by plans may not reflect an indication of use of provisions since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals.

65 plans provided only hospital and surgical benefits for such disabilities (table H-1). Medical benefits in conjunction with other plan benefits were provided under 16 plans. Under 30 plans, a general lump-sum allowance was provided. This allowance was provided in lieu of all other plan benefits under 22 plans, and in addition to 1 other benefit under 8 plans.

³⁹ In the accompanying tables dealing with maternity benefits, as in other sections of this study, the numbers of workers covered by the plans are shown in order to reflect the relative size of plans in the various categories studied. Far more significant figures, if they were available, would be the number of women covered by the plans. Obviously, maternity benefits become more important and more costly in relation to the proportion of women covered. Under some of the plans studied, women comprised the greater part of the labor force. On the other hand, in some cases where maternity benefits were provided, the employment of women was relatively uncommon. Thus, the number of workers covered by plans may not reflect an indication of use of the maternity benefits.

A combination of hospital and surgical benefits was provided dependent wives under 195 plans (table H-2). Medical as well as hospital and surgical benefits were available to dependents under 14 plans. Thirty-two plans gave dependents a general lump-sum allowance in lieu of all other plan benefits.

TABLE H-2.—Maternity: Benefits provided workers' dependents, late 1955¹

(x indicates benefits provided under plan; dashes, no benefits provided)

Benefits provided				Plans	Workers (000's)
Hospital	Surgical	Medical	General lump-sum allowance		
				263	4,156
x	x	-	-	195	2,688
-	-	-	x	32	783
x	-	-	-	19	141
x	x	x	-	14	510
x	-	-	x	2	25
-	x	-	-	1	9

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

Accident and Sickness Benefits

Under the 166 plans providing weekly accident and sickness benefits for disabilities resulting from pregnancy, the same provisions, with the exception of those relating to the qualification for benefits (when benefits became available) and duration of the benefits, were applicable to maternity and nonmaternity disabilities. The basis for determining the benefits (flat or graduated) and the amount of the weekly payments provided were identical for both types of disabilities.

Qualifying Period.⁴⁰—Once workers completed the eligibility requirements to be covered (insured) by the plan (table A-12), under 66 plans, benefits were payable only for a disability caused by a pregnancy which began after the worker had become insured (table H-3). Pregnancy disability benefits became available immediately, under 53 plans. The remaining plans required the worker to be insured for a specified period, usually 9 months, in order to be eligible for benefit payments.

Amount of Benefits.—Under plans providing uniform (flat) amounts to compensate for lost wages, the payments to women in pregnancy cases ranged from \$10 to \$55 weekly (table H-4). The most common amount was \$40, found in a third of the plans stipulating a uniform amount. A somewhat smaller proportion specified \$30. More than \$40 was provided in only 5 plans.

⁴⁰ Qualifying period as used here and throughout this section refers to the period of time, if any, that the individual must be insured by the plan in order to receive benefits.

TABLE H-3.—Maternity: Availability of benefits to newly insured workers and dependents, late 1955¹

Availability of benefits	Benefit provided									
	Weekly accident and sickness		Hospital		Surgical		Medical		General lump-sum allowance	
	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
Workers²										
All plans providing benefit	166	2,579	239	3,959	233	3,888	16	551	30	805
Benefits become available immediately	53	817	42	721	40	696	8	468	10	346
If pregnancy commences while insured	66	1,209	72	1,216	79	1,273	-	-	11	345
After being insured for:										
8 months	1	12	10	126	8	110	-	-	-	-
9 months	37	418	88	1,701	85	1,681	1	15	5	64
10 months	3	45	18	126	11	48	4	22	3	42
12 months	1	13	5	30	6	41	1	3	-	-
Other	5	64	4	40	4	40	2	44	1	9
Dependents										
All plans providing benefit	-	-	230	3,364	210	3,207	14	510	34	809
Benefits become available immediately	-	-	35	665	28	584	5	422	13	362
If pregnancy commences while insured	-	-	62	613	63	657	-	-	16	413
After being insured for:										
8 months	-	-	11	127	8	110	-	-	-	-
9 months	-	-	94	1,747	88	1,700	1	15	3	8
10 months	-	-	18	140	11	62	4	22	2	25
12 months	-	-	6	35	7	46	2	8	-	-
Other	-	-	4	37	5	49	2	44	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Number of workers covered by plans may not reflect an indication of use of provisions since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

The amount of weekly benefits provided by graduated plans for absences due to pregnancy ranged from \$15 up to \$45 for women workers earning \$3,000 yearly—an arbitrarily selected earnings level (table H-5). The amounts most frequently specified were more than \$25 but less than \$40.

TABLE H-4.—Maternity: Distribution of plans providing a flat accident and sickness benefit by amount provided women workers, late 1955¹

Amount of benefit for women earning \$3,000 a year	Plans	Workers ² (000's)
All plans providing a flat amount -----	94	1,316
Under \$15 -----	2	41
\$15 -----	2	45
\$15.01 but less than \$20 -----	2	6
\$20 -----	6	146
\$20.01 but less than \$25 -----	4	46
\$25 -----	7	61
\$25.01 but less than \$30 -----	-	-
\$30 -----	22	172
\$30.01 but less than \$35 -----	5	12
\$35 -----	5	35
\$35.01 but less than \$40 -----	3	31
\$40 -----	31	695
\$40.01 but less than \$45 -----	-	-
\$45 and over -----	5	23

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; 166 of these provided an accident and sickness benefit for maternity cases.

² Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

TABLE H-5.—Maternity: Distribution of plans providing a graduated accident and sickness benefit by amount provided women workers earning \$3,000 yearly, late 1955¹

Amount of benefit for women earning \$3,000 a year ²	Plans	Workers ³ (000's)
All plans providing an amount based on earnings alone -----	70	1,250
\$15 -----	1	9
\$15.01 but less than \$20 -----	-	-
\$20 -----	-	-
\$20.01 but less than \$25 -----	5	11
\$25 -----	2	16
\$25.01 but less than \$30 -----	16	99
\$30 -----	14	62
\$30.01 but less than \$35 -----	7	92
\$35 -----	13	141
\$35.01 but less than \$40 -----	6	218
\$40 -----	4	567
\$40.01 but less than \$45 -----	2	37

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; 166 of these provided an accident and sickness benefit for maternity cases. Excluded are 2 plans under which the weekly benefit provided was graduated on factors other than earnings.

² Weekly equivalent—\$57.70.

³ Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

Duration of Benefits.—Weekly benefit payments for maternity cases under all but a few plans were provided for a shorter period of time than for other disabilities. For a disability caused by pregnancy, weekly accident and sickness benefits were provided for a maximum of 6 weeks under all except 7 plans, as shown in the tabulation below. The six plans that provided benefits for a longer period allowed the same number of weekly payments for absences which were due to other types of disabilities.

Duration	Plans	Workers (000's)
All plans providing weekly accident and sickness benefits for maternity cases -----	166	2,579
4 weeks -----	1	5
6 weeks -----	159	2,524
13 weeks -----	4	17
26 weeks -----	2	32

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

Hospital Benefits

Benefits available for expenses incurred during hospital confinement for maternity cases usually were less liberal than those provided for other types of

disabilities.⁴¹ Most of the plans providing service benefits for nonmaternity cases provided service or cash benefits for maternity cases for fewer days. Under plans providing cash benefits for both nonmaternity and maternity confinements, a few provided lower allowances for maternity cases; more frequently, the number of days for which benefits were payable was reduced for maternity cases. Extended coverage periods were rarely provided for maternity cases.

Types of Plans.—Hospital benefits for maternity care were provided in 239 and 230 plans for workers and dependents, respectively. More than two-thirds of these plans provided cash benefits (table H-6). Only a few plans provided combination cash and service benefits; the majority of these plans provided cash room and board allowances but made available specified hospital extras on a full cost or service basis.⁴²

TABLE H-6.—Maternity: Types of hospital plans for workers and dependents, late 1955¹

Type of plan	Plans covering—			
	Workers		Dependents	
	Number	Workers ² (000's)	Number	Workers (000's)
All plans providing hospital benefits for maternity cases	239	3,959	230	3,364
Cash	166	1,521	160	1,442
Service	61	1,831	59	1,806
Cash and service	12	607	11	117

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Nearly half the cash plans covering workers and more than two-thirds of those covering dependents made available a flat amount (e. g., \$100) for all expenses incurred in the hospital. Separate allowances for daily room and board charges and for hospital extra or ancillary services were provided under more than two-fifths of the cash plans covering workers; less than a fifth of the cash plans covering dependents used this method of providing hospital benefits. The remaining plans specified a maximum daily allowance for room and board charges with an overall maximum amount available for all maternity expenses incurred in the hospital. Under these plans, the difference between the total room and board charges and the overall maximum was used to defray the cost of extra hospital services required.

Under service plans, specified benefits were assured workers and dependents rather than allowances toward the cost of benefits. Under a few plans, workers had to pay an initial maternity charge (e. g., the first \$60 of all hospital, surgical, and medical expenses incurred); thereafter, full-service benefits were provided.

⁴¹ Under some plans, lower benefits were available for all types of maternity cases (normal delivery, caesarean section, ectopic pregnancy, miscarriage, etc.); under other plans, less liberal benefits were provided for normal delivery cases only. The discussion in this section covers benefits provided in normal delivery cases only.

⁴² For a discussion of cash, service, and combination cash and service plans, see the Hospital Benefits section of this study.

Qualifying Period.—More than half of the plans covering workers and dependents required that the individual be insured for a specified period (usually 9 months) in order to be eligible for hospital benefits (table H-3). The next most common eligibility requirement for each group was that pregnancy must have commenced while insured. The remaining plans made benefits available immediately to newly insured workers and dependents.

Room and Board Allowances.—Full daily room and board allowances were payable to both workers and dependents for periods ranging from less than 8 to more than 120 days per hospital stay under those plans specifying a maximum duration (table H-7). The majority of these plans provided 14 days or less for each group.

Dependent wives received benefits for the same period as workers under all except 4 of the 95 plans that specified a duration for both groups. Under 3 of the 4 plans providing different coverage periods, workers received benefits for up to 14 days, while dependents were covered for only 10 days.

Generally, service-type plans stipulated longer full-benefit periods than plans providing cash allowances. A full-benefit period of more than 14 days was provided under the majority of the plans with service benefits.

The full-benefit period provided in maternity cases was shorter than that specified for nonmaternity cases under more than two-thirds of the plans covering workers. About three-fifths of the plans covering dependents provided a shorter full-benefit period for maternity cases. Extended coverage periods, at reduced allowances, were provided under four plans for workers. Two of these plans also provided an extended coverage period for dependents.

Under virtually all plans with service-type room and board benefits, workers and dependents were eligible for semiprivate accommodations during the full-benefit period without extra cost for the hospital services provided.⁴³ If the patient occupied a private room, the amount charged by the hospital for accommodations to which the patient was entitled, or a specified cash allowance, was allowed toward the cost of the room; the patient was responsible for the difference. The one service-type plan with an extended coverage period provided a cash allowance (\$5 a day) to be applied toward all hospital charges.

Ninety-four and 57 plans with cash room and board benefits for workers and dependents, respectively, provided a fixed daily allowance (table H-8). Under these programs, reimbursement was made toward the charge for hospital accommodations up to the stipulated daily maximum. Any charge in excess of this maximum was paid for by the insured.

The daily cash allowance provided for maternity confinement was less than that specified for nonmaternity cases under relatively few plans—10 covering workers and 4 covering dependents. Daily cash room and board allowances for workers ranged from less than \$7 to more than \$16. The average amount provided under the 94 plans with cash allowances was \$11.17; for dependents, the average was \$10.48 under the 57 plans specifying a daily allowance.⁴⁴ About a tenth of the plans providing a room and board allowance for both workers and dependent wives specified a lower amount for dependents.

Of the 3 cash plans with extended coverage for workers, 2 provided a daily allowance of \$10 during the full-benefit period and \$6 during the extended coverage period; the third plan, which provided up to \$12 daily during the full-benefit period, paid a third of the cost of a semiprivate room during the extended coverage period.

⁴³ Semiprivate accommodations were generally described as rooms having 2 beds or 2 and not more than 4 beds.

⁴⁴ Average was computed by weighting amount of daily room and board allowance each plan provided by total number of workers covered.

TABLE H-7.—Maternity: Distribution of plans providing hospital benefits by duration of full-benefit period and type of room and board benefits for workers and dependents, late 1955¹

Duration of full-benefit period	Type of room and board benefit for—											
	Workers ²						Dependents					
	All plans		Cash		Service		All plans		Cash		Service	
	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)	Number	Workers (000's)
All plans providing hospital benefits for maternity cases -----	239	3,959	173	1,559	66	2,400	230	3,364	168	1,503	62	1,861
Under 8 days -----	3	11	2	6	1	5	3	11	2	6	1	5
8 days -----	8	60	3	9	5	51	8	60	3	9	5	51
10 days -----	35	1,069	12	85	23	984	34	573	12	90	22	484
11 days but less than 14 days -----	2	41	2	41	-	-	1	4	1	4	-	-
14 days -----	59	417	57	400	2	17	13	72	12	70	1	3
15 days but less than 70 days -----	5	28	4	26	1	3	4	27	3	25	1	3
70 days -----	10	138	1	9	9	129	8	113	1	9	7	104
71 days but less than 120 days -----	2	22	2	22	-	-	3	31	3	31	-	-
120 days -----	21	903	-	-	21	903	21	903	-	-	21	903
Over 120 days -----	4	308	-	-	4	308	4	308	-	-	4	308
Duration not specified ³ -----	90	963	90	963	-	-	131	1,262	131	1,262	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

³ Included are plans that provided a flat amount for room, board, and hospital extra charges.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE H-8.—Maternity: Distribution of plans providing hospital benefits by daily room and board allowance and duration of full-benefit period for workers and dependents, late 1955¹

Daily room and board allowance	All plans		Maximum number of days in full-benefit period									
			Under 10 days		10 days		14 days		Over 14 days		Other ²	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
<u>Workers³</u>												
All plans providing cash room and board allowance for maternity cases ⁴ -----	94	775	5	15	12	85	57	400	7	57	13	220
Under \$7 -----	4	56	-	-	-	-	3	19	-	-	1	37
\$7 but less than \$8 -----	3	19	-	-	-	-	3	19	-	-	-	-
\$8 but less than \$9 -----	17	104	1	2	1	3	12	86	2	11	1	2
\$9 but less than \$10 -----	13	59	4	13	-	-	7	30	1	14	1	3
\$10 but less than \$11 -----	22	219	-	-	6	27	13	63	1	1	2	128
\$11 but less than \$12 -----	3	19	-	-	1	5	1	5	-	-	1	9
\$12 but less than \$13 -----	20	121	-	-	2	10	13	94	2	12	3	5
\$13 but less than \$14 -----	4	62	-	-	1	16	2	38	-	-	1	8
\$14 but less than \$15 -----	1	4	-	-	-	-	-	-	-	-	1	4
\$15 but less than \$16 -----	5	64	-	-	-	-	2	21	1	19	2	24
\$16 and over -----	2	49	-	-	1	24	1	25	-	-	-	-
<u>Dependents</u>												
All plans providing cash room and board allowance for maternity cases ⁴ -----	57	530	5	15	11	73	12	70	7	65	22	309
Under \$7 -----	3	14	-	-	2	5	-	-	1	9	-	-
\$7 but less than \$8 -----	2	21	-	-	-	-	-	-	1	14	1	7
\$8 but less than \$9 -----	13	197	1	2	-	-	4	17	2	11	6	168
\$9 but less than \$10 -----	8	40	4	13	1	13	1	4	-	-	2	11
\$10 but less than \$11 -----	13	81	-	-	5	40	4	22	-	-	4	19
\$11 but less than \$12 -----	3	20	-	-	1	5	-	-	-	-	2	15
\$12 but less than \$13 -----	8	49	-	-	2	10	3	27	2	12	1	1
\$13 but less than \$14 -----	2	42	-	-	-	-	-	-	-	-	2	42
\$14 but less than \$15 -----	1	4	-	-	-	-	-	-	-	-	1	4
\$15 -----	4	63	-	-	-	-	-	-	1	19	3	44

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Includes plans providing a single allowance for room and board, and hospital extras; duration of the full-benefit period could not be determined for these plans.

³ Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

⁴ Excluded from this table are 79 and 111 plans that provided a flat allowance for room and board and hospital extra charges for workers and dependents, respectively.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Maximum room and board allowances⁴⁵ provided per hospital stay under 72 cash plans covering workers and 26 plans covering dependents ranged from less than \$100 to more than \$250 (table H-9). More than 8 out of 10 plans granted workers and dependents less than \$175 as a maximum.

TABLE H-9.—Maternity: Distribution of plans providing hospital benefits by maximum room and board allowance for workers and dependents, late 1955¹

Maximum room and board allowance	Plans covering—			
	Workers		Dependents	
	Number	Workers ² (000's)	Number	Workers (000's)
All plans providing maximum room and board allowance for maternity cases	72	522	26	179
Under \$100	8	66	3	9
\$100 but less than \$125	17	110	9	62
\$125 but less than \$150	23	115	6	29
\$150 but less than \$175	13	115	3	27
\$175 but less than \$200	3	41	-	-
\$200 but less than \$225	2	21	-	-
\$225 but less than \$250	3	12	3	24
\$250 and over	3	41	2	28

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 239 and 230 plans provided hospital benefits for maternity cases for workers and dependents, respectively. Where the maximum room and board allowance was not specified it was computed by multiplying the maximum daily allowance by the number of days of hospital stay provided. Excluded from this table are all service plans and all cash plans providing a flat amount for room, board, and hospital extra charges as well as a few cash or cash and service type plans under which no maximum room and board allowance was specified.

² Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Hospital Extra Allowances.—Allowances for hospital charges other than for room and board were specifically provided for in 160 and 119 of the plans covering workers and dependents, respectively (table H-10).⁴⁶ The various methods used in providing these benefits were the same for maternity and nonmaternity cases. The large majority of plans called for the payment during the entire benefit period of (1) charges up to a fixed maximum or (2) the full cost of specified services. Under slightly more than a tenth of the plans, the amount allowed workers for extra services was the difference between the total hospital charges for room and board and the maximum amount specified under the plans. One out of 4 plans covering dependents used this method. Four plans covering workers and 3 covering dependents provided full reimbursement of charges up to a certain level but made an allowance for further reimbursements on a percentage basis (75 percent) if the stipulated level was exceeded.

Plans providing benefits in the form of payment for services rather than cash allowances typically listed those benefits for which cost was covered (in full or in part) and those excluded. Under virtually all plans, the same services

⁴⁵ Maximum room and board allowance is the product of the daily cash allowance times the maximum number of days of hospital stay provided under plans. For the significance of this allowance, see the Hospital Benefits section of this study. This allowance could not be computed for service-type plans, cash plans providing a flat amount for room, board, and hospital extra charges, and for those with a daily room and board allowance that specified a maximum allowance to be applied to all hospital charges, as well as the few cash or cash and service-type plans under which no maximum room and board allowance was specified.

⁴⁶ Not included in these groups are 79 and 111 plans that provided a flat allowance for room and board, and hospital extra charges for workers and dependents, respectively. These plans are described under the section on lump-sum allowance for hospital care.

provided for nonmaternity cases were provided for maternity cases.⁴⁷ An additional service covered under some plans was the cost of nursery care for the newborn infant.

TABLE H-10.—Maternity: Method of specifying allowance for hospital extras for workers and dependents, late 1955¹

Method	Plans covering—			
	Workers		Dependents	
	Number	Workers ² (000's)	Number	Workers (000's)
All plans providing extra hospital benefit allowances for maternity cases ³	160	3,175	119	2,391
Allowance provided for expense incurred:				
Up to a fixed amount	65	474	17	112
Up to a fixed amount with additional reimbursement on a percentage basis	4	556	3	56
Up to difference between room and board charges and a fixed amount	19	231	29	346
Other	4	25	4	13
Benefit provided on a service basis for entire benefit period	68	1,890	66	1,865

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

³ Excluded from this table are 79 and 111 plans that provided a flat allowance for room, board, and hospital extra charges for workers and dependents, respectively.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Amounts allowed workers and dependents under plans providing an allowance for full reimbursement of extra hospital charges up to a fixed level ranged from less than \$50 to more than \$275 (table H-11). More than half the plans allowed less than \$125.

TABLE H-11.—Maternity: Distribution of plans providing full reimbursement of charges for hospital extras up to a fixed maximum by amount provided workers and dependents, late 1955¹

Maximum amount	Plans covering—			
	Workers		Dependents	
	Number	Workers ² (000's)	Number	Workers (000's)
All plans providing allowance for full reimbursement of hospital extras up to a fixed maximum	65	474	17	112
Under \$50	6	61	3	9
\$50 but less than \$75	6	16	1	3
\$75 but less than \$100	10	52	2	9
\$100 but less than \$125	15	103	5	30
\$125 but less than \$150	8	85	-	-
\$150 but less than \$175	6	30	1	5
\$175 but less than \$200	1	1	-	-
\$200 but less than \$225	6	44	2	15
\$225 but less than \$250	3	36	1	11
\$250 but less than \$275	1	13	-	-
\$275 and over	3	35	2	33

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers; of these, 239 and 230 plans provided hospital benefits for maternity cases for workers and dependents, respectively.

² Number of workers covered by plans may not reflect an indication of use of benefits since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

⁴⁷ For a description of services usually covered, see the Hospital Benefits section of this study, p. 48.

Lump-Sum Allowance for Hospital Care.—A common method of providing for hospital maternity benefits was the establishment of a flat allowance to be applied toward all charges incurred, i. e., room and board and extra services. This approach was used in 79 plans covering workers and 111 plans covering dependents (table H-12). Under this method, no maximums were specified for daily room and board or extra services; the allowance could be applied to any part of the hospital bill. The amounts provided under these plans ranged from \$50 to more than \$175 for each group. About 3 out of 4 plans covering workers and dependents provided between \$75 and \$125. On the average, amounts for workers were slightly larger than those provided dependents.

TABLE H-12.—Maternity: Distribution of plans specifying a flat amount for room, board, and hospital extras for workers and dependents, late 1955¹

Amount	Plans covering—			
	Workers		Dependents	
	Number	Workers ² (000's)	Number	Workers (000's)
All plans providing a flat amount for room, board, and hospital extras for maternity cases	79	784	111	973
\$50 but less than \$75	8	43	18	115
\$75 but less than \$100	29	326	45	415
\$100 but less than \$125	31	334	37	368
\$125 but less than \$150	6	58	8	65
\$150 but less than \$175	3	14	2	8
\$175 and over	2	10	1	3

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Surgical Benefits

Surgical benefits for maternity cases were provided under 233 and 210 plans covering workers and dependents, respectively. Under the overwhelming majority of plans, benefits were provided in the form of a cash allowance.⁴⁸ Only 11 and 9 plans made available service benefits for workers and dependents, respectively.

Under all plans, the type of benefit (cash or service) was the same as that provided in nonmaternity cases. However, of the 40 cash plans which had an income limitation provision applicable to nonmaternity surgical procedures, 12 did not extend this provision to maternity cases.⁴⁹

Qualifying Period.—Workers and dependents had to be insured for a specified period of time, usually 9 months, before becoming eligible for the obstetrical portion of the surgical benefits under 114 plans covering workers and 119 plans covering dependents (table H-3). Under the next most common provision found in 79 and 63 plans covering workers and dependents, respectively, benefits were available so long as pregnancy commenced after the individual was insured. Under the remaining plans, the only requirement was plan coverage—no conditions or waiting periods were specified.

⁴⁸ The allowances referred to in this report apply to those provided for normal delivery. Usually, different amounts were specified for caesarean section, ectopic pregnancy, etc. These allowances were not tabulated for this study.

⁴⁹ For an explanation of the income limitation provision, see the Surgical Benefits section of this study, p. 53.

Amount of Benefit.—Under the plans providing service benefits for workers and dependents, the full cost of obstetrical care was covered by the plan. However, as noted previously, under a few service plans, workers had to pay an initial maternity charge (e. g., the first \$60 of all hospital, surgical, and medical expenses incurred); thereafter, full-service benefits were provided.

Cash surgical plans specified certain allowances payable for surgical procedures relating to pregnancy. Usually, the amount available for "normal delivery" was greater than that specified for a miscarriage or an abortion but less than that provided for a caesarean section or an ectopic pregnancy.

The "normal delivery" allowance provided under the cash plans ranged from less than \$50 to \$125 (table H-13). The most frequent allowances were \$50 and \$75. These two amounts accounted for approximately two-thirds of the cash plans.

TABLE H-13.—Maternity: Distribution of plans by surgical allowance specified for doctor's fee for delivery, for workers and dependents, late 1955 ¹

Allowance for delivery fee	Plans covering—			
	Workers		Dependents	
	Number	Workers ² (000's)	Number	Workers (000's)
All plans providing a cash benefit	222	3,403	201	2,763
Under \$50	2	13	2	40
\$50	68	454	75	619
\$50.01 but less than \$60	1	4	2	12
\$60	25	475	23	469
\$60.01 but less than \$75	18	820	18	832
\$75	72	800	55	572
\$75.01 but less than \$100	20	676	13	130
\$100	5	36	3	9
\$100.01 but less than \$125	4	68	2	18
\$125	6	55	7	59
Other	1	3	1	3

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers. Allowance refers to amount specified on schedule of allowances for a normal delivery case.

² Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Nine-tenths of the plans with cash surgical benefits for both workers and dependents provided identical normal delivery allowances for each group. Where a lower amount was available for dependents, it was in no case less than 50 percent of the amount provided workers, as indicated below. In 16 plans providing a lower normal delivery allowance for dependents than for workers, the maximum surgical schedule allowance was also less for dependents.

Percent of normal delivery allowance provided workers that was provided dependents	Workers	
	Plans	(000's)
All plans providing a lower normal delivery allowance for dependents than for workers ---	18	287
50 but less than 60 percent	1	15
60 but less than 70 percent	10	205
70 but less than 80 percent	1	8
80 but less than 90 percent	6	59

Medical Benefits

Medical benefits were seldom available during a disability caused by pregnancy.⁵⁰ Only 16 and 14 of the plans studied provided such benefits for workers and dependents, respectively (table H-14). To the extent that prenatal and postnatal care were mentioned in the plans, it was usually specified that they were covered by the surgical allowance.

Medical benefits for maternity care were available immediately upon becoming insured under 8 plans covering workers and under 5 plans with benefits for dependents (table H-3). The remaining plans required workers and dependents to be insured for a specified period.

Benefits in the form of services rather than cash allowances were provided under 12 and 10 plans for workers and dependents, respectively. Under the majority of these plans, benefits were available regardless of where the care was provided (table H-14). Two plans covering both workers and dependents provided care only in the hospital, and 1 made it available only in the health center.

Unlike the majority of the service plans, benefits under the 4 cash plans were provided only in the hospital (3 plans) and in the doctor's office (1 plan). Two plans provided the same in-hospital benefit that was specified for in-hospital care of nonmaternity disabilities. In the other two plans, special allowances, which differed from those available in nonmaternity cases, were provided.

General Lump-Sum Allowance

A specified sum of money, herein called a lump-sum allowance, was provided workers and dependents for a maternity disability under 30 and 34 plans, respectively (table H-15). This lump-sum benefit was provided in lieu of all other plan benefits for workers under 22 plans. The remaining plans allowed the worker a lump-sum allowance in addition to one other plan benefit, e. g., accident and sickness or hospital benefits (table H-1). Dependents were provided a lump-sum allowance in lieu of all other plan benefits under 32 plans; 2 plans granted this allowance to dependents in addition to a hospital benefit (table H-15). As with the separate benefits, a waiting period was usually specified (table H-3).

The lump-sum allowance provided workers ranged from \$50 to \$175; the amount provided dependents ranged from \$50 to \$200 (table H-15). The amount most commonly specified for workers and dependents was \$150 and \$100, respectively, found in a third of the plans for each group.

⁵⁰ As used in the Medical Benefits section of this study, the term "medical benefits" applies to doctors' visits other than those of the doctor performing the surgical procedures.

TABLE H-14.—Maternity: Types of doctor's treatment for which medical benefits were provided to workers and dependents, by type of benefits, late 1955¹

Benefit provided for treatment in—	Type of medical benefits											
	Workers ²						Dependents					
	All plans		Cash		Service		All plans		Cash		Service	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
All plans providing medical benefit for maternity cases ...	16	551	4	58	12	494	14	510	4	58	10	453
Hospital only	5	337	3	55	2	282	5	337	3	55	2	282
Hospital, doctor's office, home, and health center	8	168	-	-	8	168	7	162	-	-	7	162
Hospital and health center	1	35	-	-	1	35	-	-	-	-	-	-
Health center only	1	9	-	-	1	9	1	9	-	-	1	9
Doctor's office only	1	3	1	3	-	-	1	3	1	3	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

TABLE H-15.—Maternity: Distribution of plans providing lump-sum allowance by amount for workers and dependents, late 1955¹

Amount	All plans		Lump-sum allowance			
			Only maternity benefit provided		Provided in addition to another benefit ²	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
Workers³						
All plans providing lump-sum allowance for maternity cases ...	30	805	22	728	8	78
\$50	4	286	4	286	-	-
\$75	6	64	4	39	2	25
\$100	6	94	4	66	2	28
\$125	2	54	1	49	1	5
\$130	1	2	1	2	-	-
\$150	10	298	8	285	2	13
\$175	1	7	-	-	1	7
Dependents						
All plans providing lump-sum allowance for maternity cases ...	34	809	32	783	2	25
\$50	5	351	5	351	-	-
\$75	4	34	2	9	2	25
\$100	11	140	11	140	-	-
\$120	1	5	1	5	-	-
\$125	1	5	1	5	-	-
\$130	1	2	1	2	-	-
\$150	8	223	8	223	-	-
\$200	3	49	3	49	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

² See tables H-1 and H-2 for benefit provided in addition to lump-sum allowance.

³ Number of workers covered by plans may not reflect an indication of use of benefit since proportion of women covered varied substantially among plans.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Other Medical Care Benefits

In addition to the benefits described in the previous sections of this report, a number of plans made available special benefits covering extended illness, certain types of disability, or expenses incurred for certain types of services. Generally, these benefits supplemented the hospital, surgical, and medical care allowances or services provided under the basic plan. Among these benefits were major medical benefits, also referred to as extended medical care or catastrophe medical benefits; poliomyelitis insurance; out-patient laboratory and X-ray benefits and supplemental accident benefits.

Major Medical Expense Benefits

Major medical expense benefits were originally developed by commercial insurance companies to supplement the protection provided under the regular or basic hospital, surgical, and medical programs in case of extended periods of illness.⁵¹ Recently, a program has been developed which has no underlying coverage in the form of a basic plan. This is commonly referred to as a "comprehensive medical" or "integrated" plan. Although this type appeared to be receiving increased attention, the supplemental plan—that provided in connection with a basic plan—was more prevalent at the time of this study.

Although provisions of major medical programs vary considerably, they have three basic characteristics: (1) A maximum dollar limit on benefits payable, (2) a cash deductible which must be met by the beneficiary before benefits under the major medical provisions are available, and (3) a co-insurance provision under which the beneficiary assumes a percentage of the incurred expenses within the maximum limits of the plan. The following example illustrates how the type supplementing a basic hospital, surgical, and medical plan operates. A worker incurs total medical care expenses of \$3,000 during a period of extended illness. The basic plan covers \$900 of this amount. The major medical insurance plan further provides that the worker will bear the next \$100 of charges (commonly referred to as the "deductible" or "corridor" under the plan). Of the remaining \$2,000 of expenses (\$3,000 less $\sqrt{\$900 + \$100}$), the plan pays 75 percent. Thus, under the combined basic and major medical programs, the worker is reimbursed for \$2,400 out of a total charge of \$3,000.

Virtually all types of disabilities were covered by the major medical plans studied.⁵² Generally, all types of expenses incurred in connection with a disability were also covered, including all doctor bills, services of registered nurses, hospital expenses, and other medical items such as drugs, ambulance service, artificial limbs, diagnostic laboratory procedures, X-ray treatments, oxygen, blood transfusions (including cost of blood), and rental of iron lungs or other durable therapeutic equipment. Most plans placed a maximum on the daily rate of hospital room charges that would be reimbursable so as to exclude payment for "luxury" accommodations.

Prevalence.—Fourteen of the 300 health and insurance plans studied provided major medical expense benefits for workers (12 single-employer plans and 2 multiemployer plans). These plans covered nearly a fifth of the workers in the study. Under 13 plans, the major medical expense benefits supplemented those provided by a basic hospital and surgical-medical program. Major medical expense benefits were made available to dependents under eight of these plans; none extended

⁵¹ Some Blue Cross-Blue Shield plans have offered contracts providing similar benefits. Substantial and comprehensive protection is also afforded by many of the service-type medical care programs included in this study. This section, however, relates only to major medical expense coverage provided by commercial insurance companies.

⁵² Among the types of disabilities and benefits commonly excluded were those due to pregnancy, except for serious complications; dental care and cosmetic surgery, unless required because of an accident occurring while the insurance was in effect; and eye glasses and hearing aid expenses.

The plans usually specified that the expenses must be "reasonable" and must be prescribed by a licensed physician.

benefits to retired workers and their dependents. In the remaining plan, benefits commonly available under a basic plan and those provided under a major medical program were combined into one "comprehensive medical plan."

Type and Amount of Deductible.—Under 11 of the 13 plans supplementing a basic program, the deductible was a flat amount, usually \$100. Seven of these 11 plans specified that the deductible was applicable to expenses incurred for all disabilities occurring within a specified period, generally the calendar year; the other 4 applied it to each separate disability. The deductible varied with the insured individual's income under the 2 remaining plans, 1 of which applied the deductible on a per-disability basis, and the other on a per-year basis.

None of the 8 plans supplementing a basic program and extending coverage to dependents included a "family deductible" which recognized the possibility of the occurrence of more than 1 major illness in the family at the same time. However, a majority of the plans covering workers and dependents provided that when two or more members of a family incurred covered medical expenses as the result of the same accident, the amount of the deductible applied to the expenses of all injured members instead of each individual separately.

Benefit Amounts.—Seventy-five percent of covered expenses in excess of the basic plan benefits and the deductible was payable under 8 of the major medical plans up to a specified maximum; 4 of the remaining plans paid 80 percent of covered charges; 1 paid 90 percent. The maximum amount payable under the plans ranged from \$3,000 per individual, provided under 1 plan, to \$10,000 per individual, provided under 2 plans. Ten plans provided a maximum of \$5,000.

Benefit Period.—The specified maximum allowance was provided for each disability under 8 of the 13 plans. Under 5 of these plans, reimbursement up to the specified maximum was available as long as the disability lasted. The 3 remaining plans placed a restriction on the length of time benefits were available for any 1 disability.

Five of the 13 plans specified a maximum payable for all disabilities. Under 1 plan, payments covered expenses incurred within a period of 2 years from the date of the first medical care or treatment of a disability. Another plan required the reapplication of the deductible at the end of each 12-month period even though the disability was the same. One plan that provided a maximum benefit of \$10,000 for all disabilities limited the amount payable for all covered expenses incurred during any one 12-month period to \$5,000. Under this plan, however, the period during which the plan continued to pay benefits was extended, up to 12 months, if the worker was totally disabled or if the dependent was incapable of carrying on normal activities.

Under the 8 plans providing benefits for each separate disability—and 2 of the 13 plans that specified a maximum for all disabilities, provision was made for the reinstatement of the maximum amount, usually after the insured individual had collected a specified amount (e. g., \$1,000) and had provided satisfactory evidence of good health.

Poliomyelitis Benefits

Although poliomyelitis was often covered by the basic hospital, surgical, and medical plans studied, some programs placed limitations on the benefits provided for this illness. For example, under some hospital plans with a full-benefit period of 21 days and an extended coverage period of 180 days, hospitalization for poliomyelitis was limited to 21 full-benefit days and only 9 extended coverage days. A few programs provided only diagnostic services.

In recognition of the often costly and prolonged nature of polio, special allowances were provided in about a sixth of the health and insurance plans studied. In addition to hospital, surgical, and medical services (including nursing care), these allowances generally covered physiotherapeutic services, use of iron lung, braces and other equipment, medications and supplies, and transportation expenses. Although most of the plans provided complete reimbursement, subject only to a maximum amount (e. g., \$5,000) for expenses incurred within a stated period (e. g., within 2 years after the first treatment), some plans paid only a specified percent of charges (e. g., 75 percent) incurred within a specified period. A few plans limited the polio benefit to rehabilitation and treatment at specified rehabilitation centers after the acute and contagious stage had passed, for up to 1 year or up to a fixed money allowance, whichever occurred first.

Of the 300 health and insurance plans studied, 48 provided a cash polio benefit allowance for active workers and 50 covered dependents (table I-1). Plans making the benefit available to both active workers and dependents provided identical benefits to each group.

TABLE I-1.—Other medical care benefits: Distribution of plans providing cash poliomyelitis benefit to workers and dependents by amount provided and period of time during which expenses incurred were covered, late 1955¹

Amount provided	All plans		Benefit covers expenses incurred during—					
			1st 2 years of treatment		1st 3 years of treatment		Other	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
<u>Workers</u>								
All plans providing benefit -----	48	1,015	12	116	31	869	5	29
\$1,500 -----	6	37	2	12	4	25	-	-
\$2,000 -----	3	28	-	-	2	20	1	8
\$2,500 -----	5	33	-	-	2	13	3	20
\$3,000 -----	1	2	1	2	-	-	-	-
\$5,000 -----	33	916	9	102	23	812	1	2
<u>Dependents</u>								
All plans providing benefit -----	50	529	14	126	30	369	6	33
\$1,500 -----	6	37	2	12	4	25	-	-
\$2,000 -----	4	32	-	-	2	20	2	12
\$2,500 -----	5	33	-	-	2	13	3	20
\$3,000 -----	1	2	1	2	-	-	-	-
\$5,000 -----	34	426	11	112	22	312	1	2

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Complete reimbursement, up to the specified maximums, was provided for all expenses incurred within a specified period under all except three plans, which paid 75 percent of the incurred charges. Expenses incurred during the first 3 years of treatment were covered under more than 6 out of 10 plans (table I-1). The majority of the remaining plans limited payments to expenses incurred within the first 2 years of treatment.

The maximum amounts payable under the plans ranged from \$1,500 to \$5,000 with over two-thirds of the plans providing a maximum benefit of \$5,000. Under a majority of the plans, these maximum allowances were payable in lieu of all other plan benefits (table I-2).

Under a few plans with both polio and major medical benefits, benefits provided under major medical were available after the maximum provided under the polio benefit was exhausted.

TABLE I-2.—Other medical care benefits: Distribution of plans providing cash poliomyelitis benefit to workers and dependents by amount provided and its relation to other benefits, late 1955¹

Amount provided	All plans		Benefit provided—					
			In addition to other plan benefits		In lieu of other plan benefits		Not specified	
	Number	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)	Plans	Workers (000's)
Workers								
All plans providing benefit -----	48	1,015	17	223	31	792	-	-
\$1,500 -----	6	37	3	14	3	23	-	-
\$2,000 -----	3	28	-	-	3	28	-	-
\$2,500 -----	5	33	-	-	5	33	-	-
\$3,000 -----	1	2	1	2	-	-	-	-
\$5,000 -----	33	916	13	206	20	710	-	-
Dependents								
All plans providing benefit -----	50	529	17	223	32	302	1	4
\$1,500 -----	6	37	3	14	3	23	-	-
\$2,000 -----	4	32	-	-	3	28	1	4
\$2,500 -----	5	33	-	-	5	33	-	-
\$3,000 -----	1	2	1	2	-	-	-	-
\$5,000 -----	34	426	13	206	21	220	-	-

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers.

NOTE: Because of rounding, sums of individual items do not necessarily equal totals. All coverage data shown in this study relate to number of active workers covered by the plans. See footnote 3, p. 1.

Out-Patient Diagnostic X-ray and Laboratory Benefits

An increasing number of health and insurance plans are providing a separate benefit for out-patient diagnostic X-ray and laboratory procedures—that is, those performed in the home or in the physician's office, as distinct from hospital treatment. For hospitalized patients, these procedures are usually covered by the "hospital extras" allowances.⁵³ These out-patient benefits are generally available only when the procedures are requested by a doctor in connection with a diagnosis; they are seldom available for routine physical examinations where no disability is suspected.

Nearly a third of the plans studied (90) provided some coverage for out-patient diagnostic laboratory and X-ray procedures.⁵⁴ Of these, 87 provided benefits for workers and 65 covered dependents. These benefits were provided in the form of required services or through a specified cash allowance. Under a few plans with service benefits for workers, dependents were required to pay part of the cost of the services provided.

About 9 out of 10 plans provided a cash allowance, up to a specified maximum, for these benefits. This allowance was usually provided for all covered expenses incurred during each separate disability or for all disabilities occurring

⁵³ For a description of these allowances, see p. 47 of the Hospital Benefits section of this study.

⁵⁴ Excluded from these figures are those plans which provided benefits only for a specific type of X-ray or laboratory procedure.

during a specified period, commonly 6 months or a year. Under some plans, however, the allowance was provided on a per-disability basis for accident cases and on a time basis for sickness cases.

The maximum diagnostic X-ray and laboratory allowance provided workers ranged from \$10 to over \$100. Most frequently, however, the maximum amount specified was \$50 (35 plans); the next most common allowance was \$25 (23 plans). The maximum allowance available for dependents was the same as that provided workers under all except six of the plans with a cash benefit for each group. Under 5 of the 6 plans that specified a different allowance for dependents than for workers, the maximum allowed dependents was \$25, as against \$50 for workers.

Supplemental Accident Benefits

Less than 10 percent (24), of the 300 plans studied covering a slightly smaller proportion of workers, provided workers and dependents with a supplemental cash allowance in case of accidental injury; an additional 3 plans covered dependents only. This allowance was available for payment of doctors' and hospital charges over and above those reimbursed under other plan provisions. For example, the hospitalized individual could use the allowance to pay the difference between the actual hospital room and board charge and the amount normally provided under the plan.

All except one of the plans provided full reimbursement of covered expenses incurred within a specified period up to a stipulated dollar maximum. The one exception reimbursed the individual on a percentage basis, i. e., 75 percent. Virtually all plans limited payments under the supplemental accident provision to a period of 3 months following the date of the accident. A few plans provided benefit periods of 6 or 7 months following the date of injury. Under all except 2 plans covering workers, the maximum benefit payable was \$300. One of the remaining 2 plans specified \$150 and the other, \$375. For dependents, the maximum payable was \$300 under 22 plans, \$150 in 4 plans, and \$375 in 1 plan.