

and Michigan (45 percent); it was lowest in Wyoming (6 percent), Nevada (7 percent), and Arkansas (11 percent). For men, average old-age benefits were highest in Connecticut (\$74.51), Michigan (\$72.06), and Illinois (\$71.26) and lowest in Puerto Rico (\$42.03), Mississippi (\$50.68), and Arkansas (\$51.69). For women, average benefits were highest in Wyoming (\$56.74), Nevada (\$56.41), and Connecticut (\$55.07) and lowest in Alaska (\$31.43), Puerto Rico (\$36.57), and South Dakota (\$42.35).

Expenditures for Hospital Care, 1953-55*

The civilian population of the United States is purchasing hospital care at a rate of about \$6 billion annually or about \$37.50 per capita. Hospital care is obtained in three ways—through the payment of taxes at all levels of government, through prepayment by the purchase of health insurance, and through direct payments at the time of receiving care. Articles and tables appearing in various issues of the BULLETIN present separately the public and the private components of the Nation's hospital bill. They do not, however, show the combined expenditures, nor do they show the extent of expenditures for the various types of hospitals so that the extent of public financing of nervous, mental, and tuberculosis institutions and of private financing of general hospital care is not evident. The following paragraphs describe the extent to which each form of financing of the three major types of hospital care was used for 1953-55.

During the calendar year 1955 public and private expenditures for hospital care in the United States amounted to \$6 billion—almost \$1 billion more than in 1953. When the net costs of purchasing insurance against hospital care¹ are added, the amount spent for hospital care

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¹ The term "net costs" is used to define the difference between the amounts paid as premiums and the amounts returned as hospital benefits.

Table 1.—Public and private expenditures for hospital care in the United States, 1953-55¹

[Amounts in millions]

Source of expenditure	1953	1954	1955	Percentage distribution		
				1953	1954	1955
Total.....	\$5,013	\$5,450	\$5,972	100.0	100.0	100.0
Public expenditures.....	2,187	2,401	2,613	43.6	44.1	43.8
Federal ²	736	778	822	14.7	14.3	13.8
State and local.....	1,451	1,623	1,791	28.9	29.8	30.0
In public hospitals.....	1,337	1,498	1,655	26.7	27.5	27.7
In private hospitals ³	114	125	136	2.3	2.3	2.3
Private expenditures.....	2,826	3,049	3,359	56.4	55.9	56.2
In publicly controlled hospitals.....	442	487	540	8.8	8.9	9.0
In private hospitals.....	2,385	2,562	2,819	47.6	47.0	47.2
Paid directly by consumers.....	1,537	1,606	1,680	30.7	29.5	28.1
Paid by hospitalization insurance.....	1,289	1,442	1,678	25.7	26.5	28.1

¹ Excludes the net cost of voluntary hospitalization insurance—\$284.3 million (1953), \$324.4 million (1954), and \$339.4 million (1955). Also excludes (because they cannot be identified) vendor payments for hospital care under the public assistance, vocational rehabilitation, and workmen's compensation programs.

² Estimated on calendar-year basis from fiscal-year

data; includes the following expenditures for Veterans Administration hospitals—\$667.6 million (1953), \$708.0 million (1954), and \$750.1 million (1955).

³ Includes payments of \$3.7 million (1953), \$5.7 million (1954), and \$6.3 million (1955) for hospital care under the California temporary disability insurance law.

equaled \$5.3 billion in 1953, \$5.8 billion in 1954, and \$6.3 billion in 1955 (table 1). Vendor payments for hospital care under the programs of public assistance, vocational rehabilitation, and workmen's compensation would make these totals slightly higher. The amounts spent for hospital care under these three programs cannot, however, be identified.

In each of the 3 years 1953-55, about 44 percent of the Nation's hospital bill was met through tax funds. Payments from State and local tax revenues met about 30 percent of the to-

tal, and Federal outlays accounted for about 14 percent. The percentage of the total hospital bill that was met by voluntary hospitalization insurance benefits rose from 26 percent in 1953 to 28 percent in 1955.

Care in publicly controlled institutions—whether it was financed from taxes or privately financed—accounted for about half the total expenditures each year. Privately controlled institutions—for the most part general hospitals—received the other half of the aggregate, amounting to nearly \$3 billion in 1955.

Table 2.—Public and private expenditures for general and special short- and long-term hospitals and for care in tuberculosis sanatoriums and in nervous and mental institutions, 1953-55¹

[Amounts in millions]

Type of hospital and source of payment	1953	1954	1955	Percentage distribution		
				1953	1954	1955
Total.....	\$5,013	\$5,450	\$5,972	100.0	100.0	100.0
General and special short- and long-term hospitals.....	3,688	3,954	4,308	73.6	72.6	72.1
Public expenditures.....	1,028	1,083	1,144	20.5	19.9	19.2
Federal.....	496	509	531	9.9	9.3	8.9
State and local.....	532	574	613	10.6	10.5	10.3
Private expenditures.....	2,660	2,871	3,164	53.1	52.7	53.0
Nervous and mental institutions.....	1,062	1,213	1,386	21.2	22.3	23.2
Public expenditures.....	932	1,072	1,228	18.6	19.7	20.6
Federal.....	188	212	238	3.8	3.9	4.0
State and local.....	744	860	990	14.8	15.8	16.6
Private expenditures.....	130	141	158	2.6	2.6	2.6
Tuberculosis sanatoriums.....	263	283	278	5.2	5.2	4.7
Public expenditures.....	227	246	241	4.5	4.5	4.0
Federal.....	52	57	52	1.0	1.0	.9
State and local.....	175	189	189	3.5	3.5	3.2
Private expenditures.....	36	37	37	.7	.7	.6

¹ See table 1 for exclusions and other details.

The great extent to which private sources finance the care provided by hospitals, other than tuberculosis and mental institutions, is indicated in table 2. A total of \$4,308 million—72 percent of all hospitalization expenditures in 1955—went for care in the general and special hospitals; nearly three-fourths of this sum represented payments from private sources. Of the 23 percent of the Nation's expenditures for treatment in psychiatric institutions in 1955, less than 3 percent represented private payments and the balance came from public

Table 3.—Percentage distribution of public and private expenditures for care in general hospitals, tuberculosis sanatoriums, and nervous and mental institutions, by type of hospital and by source of expenditure, 1953–55¹

Source of expenditure	1953	1954	1955
General and special short- and long-term hospitals			
Total amount (in millions).....	\$3,688	\$3,954	\$4,308
Total percent.....	100.0	100.0	100.0
Public expenditures.....	27.9	27.4	26.6
Federal.....	13.5	12.9	12.3
State and local.....	14.4	14.5	14.2
In public hospitals.....	11.3	11.4	11.1
In private hospitals.....	3.0	3.0	3.0
Under California temporary disability insurance program.....	.1	.1	.1
Private expenditures.....	72.1	72.6	73.4
In private hospitals ²	62.0	62.3	63.1
In public hospitals.....	10.1	10.3	10.4
Nervous and mental institutions			
Total amount (in millions).....	\$1,062	\$1,213	\$1,386
Total percent.....	100.0	100.0	100.0
Public expenditures.....	87.8	88.4	88.6
Federal.....	17.7	17.5	17.2
State and local.....	70.1	70.9	71.4
Private expenditures.....	12.2	11.6	11.4
In private hospitals.....	6.8	6.1	5.7
In public hospitals.....	5.4	5.5	5.7
Tuberculosis sanatoriums			
Total amount (in millions).....	\$263	\$283	\$278
Total percent.....	100.0	100.0	100.0
Public expenditures.....	86.0	86.8	87.0
Federal.....	19.6	20.2	18.9
State and local.....	66.4	66.6	68.1
Private expenditures.....	14.0	13.2	13.0
In private hospitals.....	9.1	8.2	8.0
In public hospitals.....	4.9	4.9	5.0

¹ See table 1 for exclusions and other details.

² Excludes payments under the California temporary disability insurance law.

funds. Somewhat less than \$300 million was spent for care in tuberculosis sanatoriums; only one-seventh of this amount was accounted for by private payments.

In the 3 years for which the combined data on public and private expenditures have been assembled, care in nervous and mental institutions has required a constantly growing share of the Nation's total outlay for hospital care. This increase was achieved mainly by an expansion in public expenditures for care in such institutions; \$296 million more was paid in 1955 than in 1953 for the care of mental patients, and the total public bill for care in mental institutions rose from \$932 million to \$1,228 million. Private payments for care in mental hospitals rose \$28 million in the corresponding period. As a result no change took place in the percentage of the total hospital bill represented by private payments to mental hospitals.

For other types of care there was also little change percentagewise in private expenditures in the 3-year period. There was a slight decrease in the proportion of the total met by public payments for care of other than the mentally ill. Public payments for general and special hospital care increased only \$116 million, and private payments rose \$504 million. The percentage, however, that private payments for general and special hospital care represented of the total hospital bill remained at 53 percent all 3 years.

Table 3 permits comparisons of the sources of income of hospitals classified according to the three major types. Only slightly more than a fourth of the expenditures for general and special short- and long-term hospitals came from public funds in each of the 3 years, but 86–88 percent of the support of nervous and mental hospitals and of tuberculosis institutions for these years has come from public sources.

In table 4 the percentage distribution of public expenditures for 1955 (\$2.6 billion) among four different types of hospitals is given, and those for 1954 and 1953 as well. Because of their rising outlays for mental hospitals, State and local expenditures

Table 4.—Percentage distribution of public and private expenditures for hospital care, by type of hospital, 1953–55¹

Source of expenditure and type of hospital	1953	1954	1955
Public expenditures			
Total amount (in millions).....	\$2,187	\$2,401	\$2,613
Total percent.....	100.0	100.0	100.0
State and local.....	66.3	67.5	68.6
General and special short-term hospitals ²	19.2	19.0	19.1
Long-term hospitals.....	5.1	4.8	4.4
Tuberculosis sanatoriums.....	8.0	7.9	7.2
Nervous and mental institutions.....	34.0	35.8	37.9
Federal.....	33.7	32.5	31.4
General and special hospitals.....	22.7	21.2	20.3
Tuberculosis sanatoriums.....	2.4	2.4	2.0
Nervous and mental institutions.....	8.6	8.9	9.1
Private expenditures			
Total amount (in millions).....	\$2,826	\$3,049	\$3,359
Total percent.....	100.0	100.0	100.0
General and special short-term hospitals.....	91.5	91.3	91.5
In public hospitals.....	12.8	13.3	13.3
In private hospitals ³	78.8	78.0	78.2
Long-term hospitals.....	2.6	2.9	2.7
Tuberculosis sanatoriums.....	1.3	1.2	1.1
Nervous and mental institutions.....	4.6	4.6	4.7

¹ See table 1 for exclusions and other details.

² Includes payments under the California temporary disability insurance law, assumed to have been entirely for care in this type of hospital.

³ Excludes payments under the California temporary disability insurance law.

account for an increasing percentage of tax money spent on hospital care, with a proportionate decline in Federal outlays.

Table 4 also distributes for 1953–55 private expenditures for care in all types of hospitals. The only significant change from 1953 to 1955 is the increase in the proportion of private payments financing care in publicly controlled hospitals. The extent of the expansion is as yet, however, small. The data point up the slight amount of privately financed care in chronic and mental illnesses.

Employers, Workers, and Wages Under OASI

In the calendar year 1955, according to preliminary estimates, 66 million persons had earnings taxable