

# Expenditures for Medical Services in Public Assistance, 1946

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*A special study conducted by public assistance agencies in 20 States in 1946 gave answers for the first time to questions about the types and amount of medical services the agencies were able to provide to assistance recipients and the costs of the various services. An article in the Bulletin for June 1952 discussed medical services for aged recipients. This article deals with the costs of such services in the four programs in operation in 1946—old-age assistance, aid to dependent children, aid to the blind, and general assistance.*

SICKNESS and disability are primary causes of the dependency of persons receiving public assistance. The programs of old-age assistance and aid to the blind, and that of aid to the permanently and totally disabled, which was established by the Social Security Act Amendments of 1950, are designed to assist persons whose need is directly caused by or closely associated with chronic illness or physical or mental handicap. The illness or disablement of a family breadwinner is responsible for the dependency of almost a third of the families accepted for aid to dependent children. The children in these families, moreover, need medical services both in the treatment and in the prevention of disease and defects. At least a majority of the persons on the general assistance rolls are suffering from acute or chronic illness or handicap.

Traditionally, to the extent that funds have permitted, public assistance agencies have undertaken to provide medical care for needy people. Before 1936, the year the public assistance provisions of the Social Security Act went into effect, assistance agencies, within the limit

of available funds, generally paid doctors, hospitals, and other agencies and practitioners directly for the medical services they supplied to recipients. Costs were met from general assistance funds or, less frequently, from funds separately appropriated or allocated for medical care.

Information on expenditures for the medical services provided by assistance agencies was included in the sample study, covering a 6-month period in 1946, made by 20 States. Because Federal participation in the special types of public assistance was, until October 1950, available only in "money payments" to recipients, the method of meeting medical costs has been predominantly through the money payment.<sup>1</sup> Most State agencies developed plans for including in the assistance payment amounts to permit the recipient to pay for all or part of his medical bill. Federal maximums on the amounts of individual monthly payments subject to Federal financial participation and State maximums on money payments then, as now, have limited the medical care costs that can be met in this way.

In States with sufficient funds,

<sup>1</sup> The 1950 amendments extended Federal participation to "vendor payments," that is, payments made directly to the individuals or agencies supplying medical care to recipients. In each individual case, however, the total amount of Federal matching funds, for both maintenance and medical care, is still limited to the existing Federal maximum payment. At the time the study was made, Federal funds were not available for vendor payments.

however, assistance agencies have developed a variety of ways to solve the problems posed by restrictions on the amount and use of program funds. Some States have eliminated the State maximums on payments altogether, have established higher maximums, or have waived their maximums for cases with medical needs. Frequently recipients are expected to meet the cost of the practitioners' services and medicines from their money payment, while the agency assumes responsibility for paying suppliers directly for certain services—for example, hospitalization and prosthetic devices. Sometimes payments are made directly to the suppliers of services if the recipient is too ill or feeble to handle the payment or if no Federal participation can be obtained by including amounts in the money payment to meet the cost of the services. Often general assistance or special medical assistance funds are used whenever bills for medical services are paid directly to the suppliers of the services.

## Expenditures for Medical Services

The cost of the services provided from assistance funds may be measured in terms of (1) expenditure per case receiving medical services and (2) average monthly expenditure per case receiving assistance.<sup>2</sup>

<sup>2</sup> In old-age assistance and aid to the blind the term "case" is generally synonymous with "assistance recipient," though a case may include an additional person or persons who are essential to the recipient's well-being. In aid to dependent children a case includes the needy children in the family and in most instances an adult caring for the children. A general assistance case may be a single adult or a family unit. The terms "assistance case" or "case receiving assistance" refer to the entire caseload. When the data refer specifically to recipients receiving medical services, however, the terms used are "cases receiving medical services," "medical care cases," "cases receiving nursing-home care," and similar variants.

\*Division of Program Statistics and Analysis, Bureau of Public Assistance. This article is adapted from Part II of the report, *Medical Care in Public Assistance, 1946* (Public Assistance Report No. 16). Part I (issued in October 1948) consists of 21 separate documents—"Introduction to State Reports" and "State Reports Nos. 1-20." For a discussion of medical services in the old-age assistance program, see the *Bulletin*, June 1952, pp. 3-11.

The first measure, arrived at by dividing total expenditures by the number of cases that received one or more types of medical service, reflects the cost of services for cases receiving medical care during the 6-month period. The second measure spreads total costs of medical services over the entire caseload.

Although the costs of medical services have risen in the past few years, the data from the study are believed to be still useful for the light they throw on the comparative State expenditures for medical services.

*Expenditures per medical care case (excluding nursing-home care).*—Obviously, the average cost of services per medical care case (excluding nursing-home and convalescent-home care) is significantly influenced by the proportion of cases receiving care. If services are provided in emergencies or acute illnesses only, or if there are other limitations on the types of cases for which medical services are furnished,

a small proportion of the cases may receive care but the cost per case may be high. West Virginia, for example, was at the bottom of the range in the proportion of old-age assistance cases receiving medical assistance, but it ranked high in the average expenditure per medical care case (table 1). Of the 10 States in the upper half of the range when measured by the proportion of medical care cases among recipients of old-age assistance, seven<sup>3</sup> fall in the lower half of the range when States are arrayed by cost per medical care case. Two States—Massachusetts and New Hampshire—ranked relatively high both in the proportion of old-age assistance cases receiving care and in the expenditure per medical care case.

Differences in unit costs of services—for example, in cost per physician's visit or per hospital day—also have an important influence on the average expenditure for medical

<sup>3</sup> Connecticut, Illinois, Indiana, Kansas, Maine, New Jersey, and Texas.

care. The relative weight of different services in the aggregate also influences the average cost of all services combined. New Jersey, for example, met only a part of the cost of hospitalization of recipients of old-age assistance and aid to the blind; Pennsylvania met all hospitalization costs from sources other than assistance funds. Except for a small number of cases receiving aid to dependent children, Texas provided no hospitalization from funds appropriated for the special types of public assistance. Data were not available to show whether these costs may have been met for some recipients from local funds for general assistance.

In old-age assistance the average amount expended during the 6 months per case receiving medical care was \$36; in each of the other three programs, the average was somewhat less than \$30. The range among the States in average costs per assistance case was about the same in old-age assistance and in aid to dependent children. In old-age assistance the range was from \$56 per medical care case in Michigan to \$12 in Pennsylvania.<sup>4</sup> In aid to dependent children the average ranged from \$52 in Michigan to \$12 in Pennsylvania. In that program there also was a tendency for costs per medical care case to be lower in States that provided care for a relatively large proportion of cases. In four States, however, the reverse was true. In Maine, New Hampshire, North Dakota, and Wyoming, half or more of the families received medical assistance, and the average cost per family ranged from \$40 to \$50.

In eight States<sup>5</sup> the average amounts spent per medical care case under old-age assistance and aid to dependent children differed by less than \$4. These amounts, however, do not represent similar costs per

<sup>4</sup> Excluding North Dakota, where the \$70 average does not take into account assistance cases receiving only the routine \$2 allowance.

<sup>5</sup> Connecticut, Illinois, Michigan, Nebraska, New Hampshire, Pennsylvania, South Carolina, and Wyoming. The cost per old-age assistance case, however, is substantially higher when nursing- and convalescent-home care is included.

**Table 1.—Public assistance: Average monthly expenditures for medical services per assistance case and average expenditures per case receiving services, by program and State, during a 6-month period in 1946**

[Excludes cost of nursing- and convalescent-home care]

State <sup>1</sup>	Average cost per case receiving services during 6-month period					Average monthly cost per assistance case			
	Old-age assistance	Aid to dependent children	Aid to the blind	General assistance	Medical care only	Old-age assistance	Aid to dependent children	Aid to the blind	General assistance
Total <sup>2</sup> .....	\$36.03	\$28.23	\$29.00	\$26.78	( <sup>3</sup> )	\$2.52	\$1.81	\$1.29	\$2.10
Connecticut.....	36.93	36.43	( <sup>4</sup> )	-----	-----	2.42	3.77	( <sup>4</sup> )	-----
Illinois.....	36.95	34.88	38.96	-----	-----	2.85	2.84	2.29	-----
Indiana.....	34.32	16.19	28.65	-----	-----	2.91	1.77	2.13	-----
Kansas.....	33.42	38.77	37.06	67.22	( <sup>4</sup> )	3.36	4.37	3.49	( <sup>4</sup> )
Maine.....	30.75	43.78	25.52	-----	-----	4.42	4.38	3.21	-----
Massachusetts.....	39.02	30.46	-----	32.70	\$77.46	3.16	2.26	-----	2.39
Michigan.....	56.11	52.35	( <sup>4</sup> )	42.92	114.79	3.68	2.29	1.35	( <sup>3</sup> )
Minnesota.....	41.74	45.97	( <sup>4</sup> )	71.05	113.68	2.74	1.62	1.34	7.34
Nebraska.....	34.29	30.72	( <sup>4</sup> )	-----	-----	1.60	1.28	1.00	-----
New Hampshire.....	41.98	44.86	( <sup>4</sup> )	-----	-----	4.03	5.67	3.45	-----
New Jersey.....	25.05	29.05	21.40	-----	-----	2.19	2.51	1.37	-----
New Mexico.....	33.27	42.70	( <sup>4</sup> )	38.18	49.80	1.19	2.03	.41	2.20
North Carolina.....	37.56	23.69	-----	25.16	29.11	.91	.50	-----	.89
North Dakota.....	69.93	40.61	( <sup>4</sup> )	68.36	78.16	4.28	6.44	( <sup>4</sup> )	8.97
Oregon.....	42.92	52.27	( <sup>4</sup> )	39.21	90.41	2.24	3.74	( <sup>4</sup> )	3.13
Pennsylvania.....	12.44	12.06	13.35	-----	-----	.68	1.00	.36	.94
South Carolina.....	38.43	38.81	( <sup>4</sup> )	34.36	26.68	1.00	.73	.73	1.30
Texas.....	33.12	22.75	34.91	-----	-----	2.77	.85	2.35	-----
West Virginia.....	49.24	40.12	( <sup>4</sup> )	55.63	49.56	.52	.83	.13	.87
Wyoming.....	53.55	50.02	( <sup>4</sup> )	57.54	139.44	3.08	4.81	( <sup>4</sup> )	5.41

<sup>1</sup> Data for entire State or selected counties in State.  
<sup>2</sup> Totals represent, for old-age assistance and aid to dependent children, 20 States; for aid to the blind, 18 States; and for general assistance, 10 States (excluding Kansas and Michigan, for which average monthly costs are not available).  
<sup>3</sup> Data not available.  
<sup>4</sup> Not computed; base too small.

<sup>5</sup> Includes medical care only cases.  
<sup>6</sup> Included in general assistance cases.  
<sup>7</sup> Excludes routine monthly allowances of \$1 for physicians' services and \$1 for drugs. Inclusion of these data increases the average monthly cost to \$5.98, and decreases the average 6-month cost per case receiving services to \$35.10.

person receiving medical assistance. Among the families receiving aid to dependent children, persons eligible for services included an average of 2.6 children and, in most States, one or more adults. The services and costs for these families therefore frequently represented medical assistance provided for more than one member during the 6-month period. In old-age assistance, the average number of persons per case was only slightly in excess of one. In some States, only the recipient was included in the case; in others the spouse or another person dependent on or indispensable to the recipient may have been included.

Six States spent more per medical care case for aid to dependent children than for old-age assistance, and six States spent less.<sup>6</sup> Among the latter are North Carolina and Texas, where the low maximums on the assistance payments for aid to dependent children affected both the proportion of cases receiving services and the volume of services provided.

The low cost in Indiana, which furnished medical care for a relatively large number of families receiving aid to dependent children, reflects an unusually small volume of services per case. Indiana was, until May 1949, one of the few States in which parents or other adults included in cases receiving aid to dependent children were ineligible for medical care. Pennsylvania's low average expenditure of \$12 results partly from the fact that the assistance agency does not provide hospitalization and partly from the low unit expenditure for physicians' services.

Under the general assistance program in North Dakota, which provided service to almost 60 percent of the assistance cases, average costs per medical care case were high. In Wyoming and West Virginia, on the other hand, high costs were associated with relatively small numbers of medical service cases. Among the States, excluding Pennsylvania, average costs for general assistance cases ranged from \$25 to \$71. The amount of medical care needed by general assistance cases may vary consid-

<sup>6</sup> Excluding the 8 States in which the differences in costs were relatively small.

**Table 2.—Old-age assistance: Percent of assistance cases receiving nursing- and convalescent-home care and expenditures for this service as a percent of total medical expenditures, by State, during a 6-month period in 1946**

State <sup>1</sup>	Nursing- and convalescent-home care	
	Percent of OAA cases receiving	Cost as percent of total medical costs
Connecticut.....	10.4	80.0
New Hampshire.....	8.5	49.6
Massachusetts.....	5.7	53.0
Maine.....	3.9	32.4
New Jersey.....	3.7	49.2
Oregon.....	3.7	45.0
North Dakota.....	2.6	<sup>2</sup> 20.7
Michigan.....	2.4	27.2
Kansas.....	2.1	17.9
Texas.....	1.9	17.9
Minnesota.....	1.8	15.1
Illinois.....	1.6	17.9
Indiana.....	.8	11.8
New Mexico.....	.4	10.2
North Carolina.....	.1	4.6
South Carolina.....	.1	1.9

<sup>1</sup> Data for entire State or selected counties in State. Excludes Pennsylvania and West Virginia, which did not provide this type of service from assistance funds; Nebraska, for which data were not available; and Wyoming, for which data were incomplete.

<sup>2</sup> Percent of total excluding routine monthly allowances of \$1 for physicians' services and \$1 for drugs.

erably from State to State, but it is not reasonable to assume that differences in need account for the wide variations that exist either in the proportion of cases receiving services or in the cost of the services provided. In at least four States—New Mexico, North Carolina, South Carolina, and West Virginia—the agencies reported that funds were inadequate to meet medical requirements for all cases or to provide all needed services.

The most costly cases were those receiving medical care only. The number of such cases was small in all States, but they usually consisted of individuals requiring expensive care because of acute or emergency illnesses. The average expenditure for cases receiving only medical care exceeded \$100 in three States. Costs were low only in North Carolina and South Carolina, where the amounts of funds available limited expenditures and the assistance agency probably paid only a part of the cost.

*Monthly cost per assistance case (excluding nursing-home care).—*The greater need that aged recipi-

ents have for medical care and for the more expensive types of care is also reflected in a comparison among programs of the average monthly expenditure per assistance case (table 1). In old-age assistance, the monthly cost per case for the 20 States combined was \$2.52; cases of aid to the blind cost, on the average, about half as much. In aid to dependent children, the average monthly cost per family was \$1.81; the cost per person included in the families was less than 55 cents. The averages under the children's program, however, are weighted by data for Texas and Pennsylvania, both of which had relatively large caseloads and low expenditures. In the median State the average monthly expenditure was about \$2.28 per family or about 67 cents per person in the family. For old-age assistance the average monthly cost of \$2.75 in the median State was also higher than the average for all States combined.

The average monthly cost per case receiving old-age assistance ranged from \$4.42 in Maine to 52 cents in West Virginia. In North Dakota the cost was \$5.98 when the routine monthly allowance of \$1 for physicians' services and \$1 for drugs is included. In three States the average exceeded \$4, in four States it was more than \$3, and in another four it was \$1 or less. These costs reflect both the proportion of cases receiving services and the cost per medical care case. The first factor was the more important except when a particular circumstance, such as the omission of an expensive type of service, resulted in a relatively low average expenditure per medical care case.

Of the 10 States that ranked highest in the proportion of old-age assistance cases receiving service, eight<sup>7</sup> also fell in the upper half of the range when the States are arrayed by average monthly cost per assistance case. New Jersey and Connecticut, which made medical care available to relatively large proportions<sup>8</sup> of their aged recipients

<sup>7</sup> Illinois, Indiana, Kansas, Maine, Massachusetts, Minnesota, New Hampshire, and Texas.

<sup>8</sup> Excluding cases receiving only nursing-home care.

—52 percent and 37 percent, respectively—had relatively low expenditures per medical care case. New Jersey met only a part of the cost of hospitalization from assistance funds, and in Connecticut most hospital care was provided in State-aided hospitals at a rate that was probably lower than could have been obtained from other hospitals in the State. Both States met the cost of care for a relatively large number of recipients living in nursing homes. As a result, expenditures for other types of service may have been lower than they would otherwise have been, since the charge for care in such homes frequently

includes the cost of some medical care and supervision in addition to nursing services.

In Michigan and Wyoming the average cost per assistance case was high in relation to the proportion of recipients served. Less than 40 percent of the old-age assistance cases in these States received medical services, but since costs per medical care case were relatively high, the monthly average amounted to more than \$3 per assistance case.

In the program for aid to dependent children there was an even wider range between the highest and lowest States in the average monthly cost per assistance case. In

North Dakota and New Hampshire the averages were \$6.44 and \$5.67, respectively; in North Carolina, the average was 50 cents. In six States the average cost for families receiving aid to dependent children was from \$1 to almost \$2 higher than it was for old-age assistance cases.<sup>9</sup> In Indiana, Michigan, Minnesota, and Texas, costs were substantially lower for aid to dependent children. With a few exceptions the rank of the States in the proportion of cases receiving services was closely related to expenditures per case. Indiana was high in terms of the relative number of cases served and low in costs; in Pennsylvania, also, costs were low in relation to the proportion of cases receiving services.

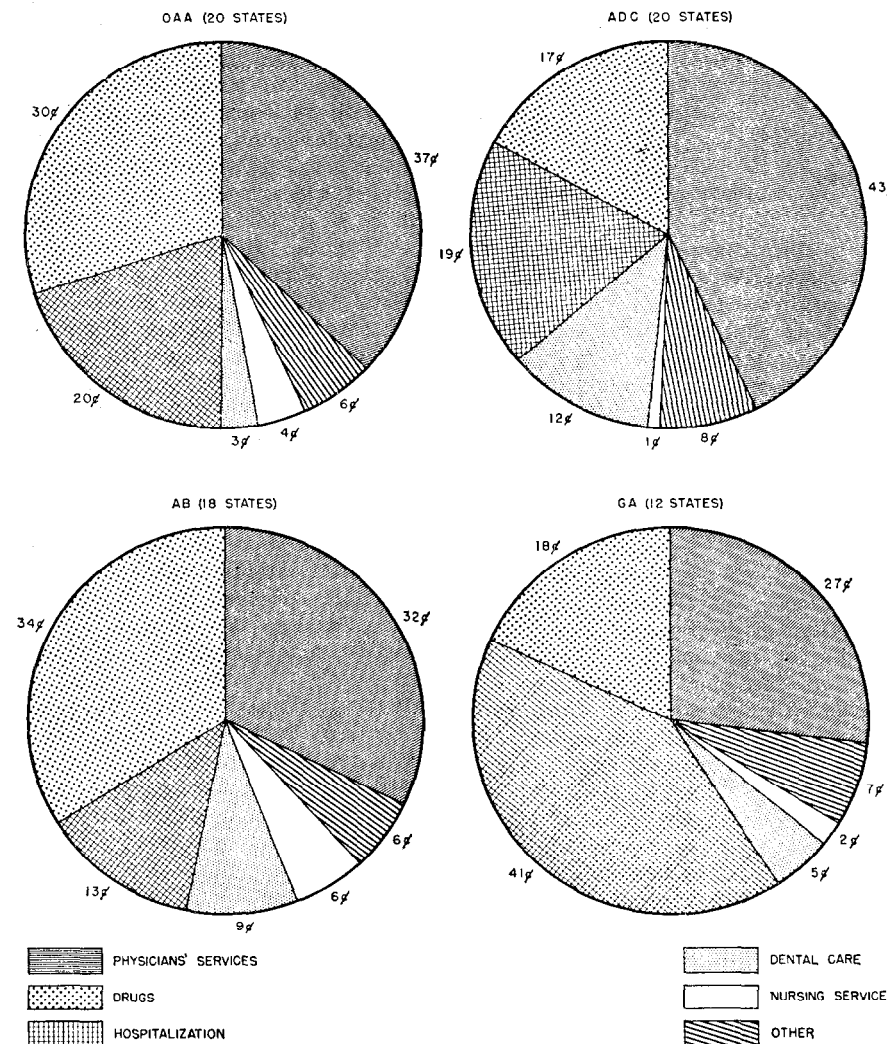
Expenditures per assistance case were lower for aid to the blind than for old-age assistance in all but one of the States for which data are available. Kansas spent at approximately the same rate per case under the two programs.

In general assistance, costs were relatively high and reflect the greater medical requirements of persons in a program assisting chiefly ill or disabled individuals. North Dakota spent on the average almost \$9 per month per case receiving assistance; in Minnesota and Wyoming, average expenditures were \$7.34 and \$5.41, respectively. Even in States in which stringency of funds restricted the scope of the medical assistance program, somewhat more per capita was spent for general assistance than for cases under most other programs.

*Distribution of the medical assistance dollar (excluding nursing-home care).*—The share of the assistance dollar going for each type of medical care reflects both the proportion of cases getting each type of care and the costliness of the service. Under all programs a relatively large number of cases had physicians' visits, and a substantial amount of the medical dollar was paid to physicians (charts 1 and 2). In old-age assistance, 27 percent of the cases had visits to or from the doctor during the 6 months; charges

<sup>9</sup> Connecticut, Kansas, New Hampshire, North Dakota, Oregon, and Wyoming.

Chart 1.—Distribution of the medical assistance dollar, by type of service, during a 6-month period in 1946<sup>1</sup>



<sup>1</sup> Excludes cost of nursing- and convalescent-home care.

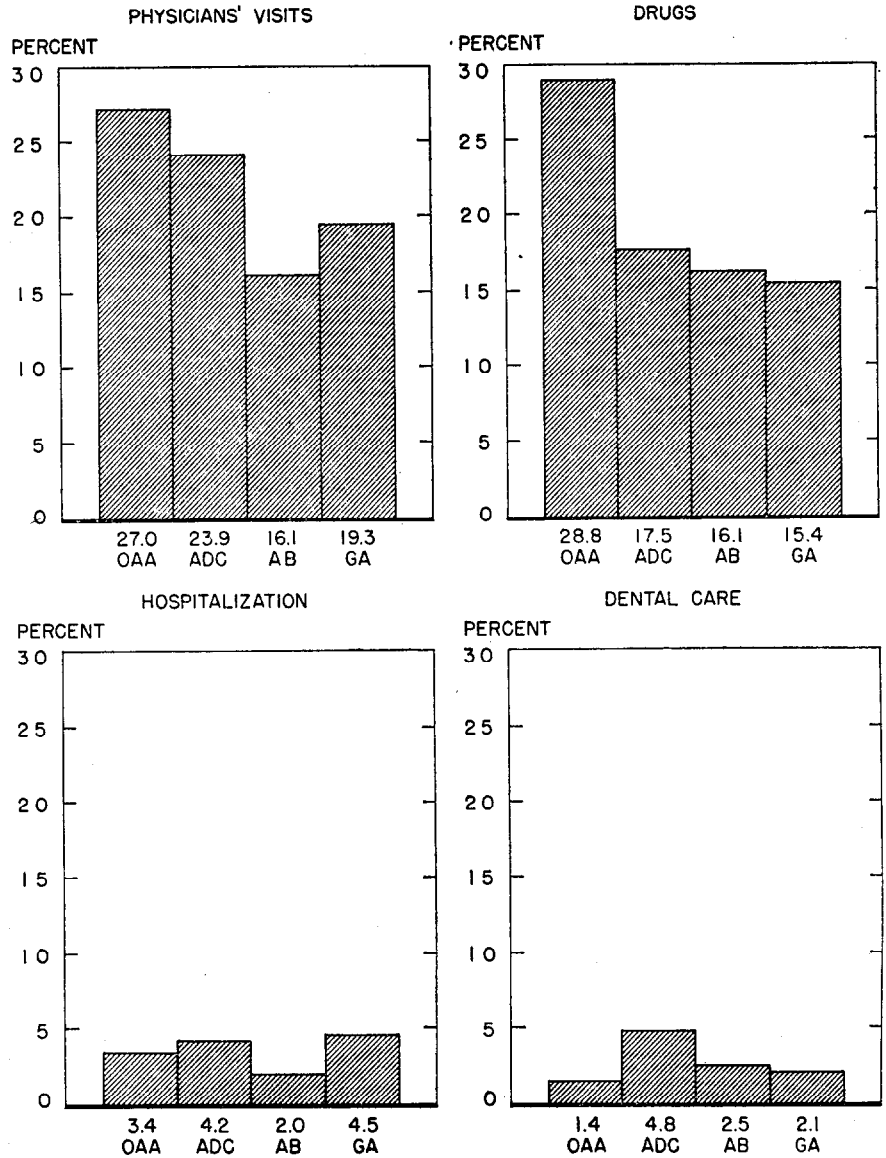
for their visits, plus the cost of surgery (for which separate charges were made), accounted for 37 cents out of every dollar of medical expense. In aid to dependent children, 24 percent of the families had physicians' visits, and the cost of services by physicians represented 43 percent of total expenditures. In both programs the total expenditure for care by physicians was larger than for any other type of service.

Drugs also were supplied to a relatively large number of recipients and represented a substantial share of total medical care costs in old-age assistance and aid to the blind—30 cents and 34 cents, respectively, of each dollar spent.<sup>10</sup> In aid to dependent children and general assistance, medicines accounted for only 17 cents or 18 cents of each dollar.

Because hospital care is costly, expenditures for this service amounted to about 20 cents out of every dollar for cases in old-age assistance and aid to dependent children even though the number of cases hospitalized was small—3.4 percent and 4.2 percent, respectively. Relatively more general assistance cases were hospitalized—4.5 percent—and 41 percent of the total expenditures for medical care under the program went for this purpose. In aid to the blind, only 13 cents out of every dollar was chargeable to hospital care for the 2 percent of cases hospitalized during the 6 months.

*Medical assistance (including nursing-home care).*—Relatively few assistance cases received care in nursing or convalescent homes in most States.<sup>11</sup> Since most individuals in such institutions or homes also received some other type of medical services, the proportion of assistance cases receiving one or more types of care during the 6-month period is changed very little by the inclusion

Chart 2.—Percent of assistance cases receiving specified medical services, by program, during a 6-month period in 1946



of cases receiving only nursing-home care. When measured in terms of costs, however, amounts chargeable to this service increase substantially the average costs for a number of States.

The percent of old-age assistance cases receiving nursing-home care is contrasted in table 2 with the percent of medical care expenditures going for such care. Expenditures for nursing-home care represented 80 percent of total costs in Connecticut and from 53 to 45 percent of the total in Massachusetts, New

Hampshire, New Jersey, and Oregon. For all States, total costs chargeable to nursing-home care were high in relation to the number of recipients who received this type of care. The average cost per medical care case is, of course, higher for all States when nursing-home care is included, but the difference is considerable only in States that made substantial expenditures for this service. In Connecticut the cost per medical care case, including nursing-home care, was \$161 as compared with about \$37 when such

<sup>10</sup> The term "drugs" is used interchangeably with "medicines." Neither term includes medicine chest supplies, for which a small separate amount was regularly budgeted.

<sup>11</sup> Such care was provided largely in nursing rather than convalescent homes, and the term "nursing home" is used to cover both nursing and convalescent homes.

**Table 3.—Old-age assistance: Average monthly expenditures per assistance case for medical services and average expenditures per case receiving services, including the cost of nursing- and convalescent-home care and excluding these costs, by State, during a 6-month period in 1946**

State <sup>1</sup>	Average cost per case receiving services during 6-month period		Average monthly cost per assistance case	
	Including cost of nursing- and convalescent-home care	Excluding cost of nursing- and convalescent-home care	Including cost of nursing- and convalescent-home care	Excluding cost of nursing- and convalescent-home care
Total.....	\$50.50	\$36.03	\$3.63	\$2.52
Connecticut.....	161.90	36.93	12.08	2.42
Illinois.....	44.38	36.95	3.47	2.85
Indiana.....	38.75	34.32	3.29	2.91
Kansas.....	40.32	33.42	4.10	3.36
Maine.....	44.24	30.75	6.53	4.42
Massachusetts.....	79.30	39.02	6.72	3.16
Michigan.....	73.78	56.11	5.05	3.68
Minnesota.....	48.65	41.74	3.22	2.74
Nebraska <sup>2</sup> .....	34.29	54.29	1.60	1.60
New Hampshire.....	79.26	41.98	7.99	4.03
New Jersey.....	48.23	25.05	4.30	2.19
New Mexico.....	36.84	33.27	1.33	1.19
North Carolina.....	39.11	37.56	.96	.91
North Dakota <sup>3</sup> .....	82.72	69.93	5.40	4.28
Oregon.....	73.49	42.92	4.08	2.24
Pennsylvania <sup>4</sup> .....	12.44	12.44	.68	.68
South Carolina.....	38.90	38.43	1.02	1.00
Texas.....	38.85	33.12	3.37	2.77
West Virginia <sup>2</sup> .....	49.24	49.24	.52	.52
Wyoming <sup>2</sup> .....	57.73	53.55	3.36	3.08

<sup>1</sup> Data for entire State or selected counties in State.  
<sup>2</sup> Pennsylvania and West Virginia made no expenditures for nursing- and convalescent-home care from assistance funds; data for this service were not

available for Nebraska and incomplete for Wyoming.  
<sup>3</sup> Excludes routine monthly allowances of \$1 for physicians' services and \$1 for drugs.

ously inadequate, it is probable that medical needs, even though budgeted as requirements, often go unmet because of the more urgent need for food, housing, and clothing. For the most part, agencies were probably fairly realistic in their budgeting and did not include amounts for medical care if it was obvious that medical services could not be obtained. In some States making very low payments in 1946, however, relatively small amounts for medical services were sometimes included as a requirement in determining need. To some extent, undoubtedly, such amounts overstate the actual amounts spent for this purpose. Included among the States with very low assistance payments in 1946 were North Carolina, South Carolina, and Texas. In North Carolina and South Carolina the amounts budgeted for medical care were small, but it seems likely that many cases needed all available money to meet other items of expense. In both States, some medical bills were paid from general assistance funds.

In Texas, low maximums for aid to dependent children, coupled with substantial percentage reductions in payments because of lack of funds, resulted in small assistance payments to families. Maximums on individual payments in old-age assistance and aid to the blind in Texas were more nearly adequate, and cuts affecting payments were less drastic. As a result, medical needs were more frequently considered for recipients of old-age assistance and aid to the blind than for cases of aid to dependent children, and aged and blind recipients were more likely to have spent money for this purpose.

The costs reported may have exceeded actual expenditures in a few other States. In Maine (old-age assistance and aid to the blind), Michigan, and New Mexico, for example, maximums on payments—and, in New Mexico, cuts in payments as well—meant that the full needs of some recipients were not met. These States, however, relied on general assistance or other funds to pay part of the medical bill. Nevertheless, some recipients in these States

(Continued on page 20)

costs are excluded. In five States <sup>12</sup> the range in the average cost of all services was from \$83 to \$73 (table 3). The range for these States, excluding the cost of nursing-home care, was from \$70 to \$39. The differences were less in the States in which the smallest proportions of the cases received care in nursing homes, ranging from less than \$1 up to \$5 in Indiana, New Mexico, North Carolina, and South Carolina.

When States are arrayed by the average monthly cost of all services per case receiving assistance and those averages are compared with the average cost of services excluding nursing-home care, the amounts and ranking for a few States change significantly.

In Connecticut, which ranked highest in the average monthly cost, including nursing-home care, per case receiving assistance, the average was \$12.08 and in New Hampshire it was \$7.99, as compared with \$2.42 and \$4.03, respectively, when these costs are excluded. In Maine, Massachusetts, Michigan, and North

<sup>12</sup> Massachusetts, Michigan, New Hampshire, North Dakota, and Oregon.

Dakota, costs per case, including charges for nursing-home care, ranged from slightly more than \$5 to almost \$7. These four States and New Hampshire, however, ranked high in costs per case both with nursing-home care included and with such care excluded. New Jersey and Oregon also spent substantial amounts for nursing-home care in relation to expenditures for other services, bringing average monthly costs to more than \$4 per assistance case. Even relatively small costs for this type of service—resulting, for example, in a difference of only 50–75 cents between the two averages—would represent a substantial total charge to assistance funds during a year. In New Mexico, North Carolina, and South Carolina, expenditures for nursing-home care had little effect on cost figures.

### Effect of Low Assistance Payments

When amounts are included in a recipient's payment to enable him to procure medical care there is the possibility that he may use the money to meet some other need. When a recipient's income is seri-

**Table 2.—Contributions and taxes collected under selected social insurance and related programs, by specified period, 1949-52**

[In thousands]

Period	Retirement, disability, and survivors insurance			Unemployment insurance		
	Federal insurance contributions <sup>1</sup>	Federal civil-service contributions <sup>2</sup>	Taxes on carriers and their employees	State unemployment contributions <sup>3</sup>	Federal unemployment taxes <sup>4</sup>	Railroad unemployment insurance contributions <sup>5</sup>
<b>Fiscal year:</b>						
1949-50.....	\$2,106,388	\$662,262	\$550,172	\$1,094,406	\$226,306	\$18,855
1950-51.....	3,120,404	684,343	577,509	1,364,590	233,537	24,681
<b>11 months ended:</b>						
May 1950.....	1,884,043	629,776	425,001	1,088,338	224,583	13,582
May 1951.....	2,839,409	660,915	438,331	1,355,266	230,226	18,645
May 1952.....	3,451,559	686,928	677,017	1,424,914	257,921	19,845
<b>1951</b>						
May.....	534,075	37,610	4,814	297,232	15,764	398
June.....	280,995	23,428	139,178	9,323	3,311	6,036
July.....	174,524	29,704	621	158,465	1,681	48
August.....	516,259	29,694	66,022	273,692	14,641	526
September.....	259,448	342,857	190,087	5,075	1,004	4,093
October.....	33,105	38,313	11,201	113,755	3,018	1,884
November.....	401,037	34,006	81,342	216,650	14,124	179
December.....	269,507	37,183	54,915	7,551	764	6,318
<b>1952</b>						
January.....	147,890	40,466	12,264	85,085	14,069	25
February.....	448,393	35,188	92,932	161,653	164,781	518
March.....	463,297	34,407	53,934	7,767	25,350	5,749
April.....	252,135	35,724	13,902	140,916	2,918	153
May.....	485,964	31,887	89,798	251,306	15,571	352

<sup>1</sup> Represents contributions of employees and employers in employments covered by old-age and survivors insurance; from May 1951, includes deposits made in the trust fund by States under voluntary coverage agreements; beginning January 1951, on an estimated basis.

<sup>2</sup> Represents employee and Government contributions to the civil-service retirement and disability fund; Government contributions are made in 1 month for the entire fiscal year.

<sup>3</sup> Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, in 2 States, contributions from em-

ployees; excludes contributions collected for deposit in State sickness insurance funds. Data reported by State agencies; corrected to June 23, 1952.

<sup>4</sup> Represents taxes paid by employers under the Federal Unemployment Tax Act.

<sup>5</sup> Beginning 1947, also covers temporary disability insurance.

<sup>6</sup> Represents contributions of \$32.4 million from employees, and contributions for fiscal year 1951-52 of \$310.0 million from the Federal Government.

Source: *Daily Statement of the U. S. Treasury*, unless otherwise noted.

### MEDICAL ASSISTANCE

(Continued from page 12)

doubtless found it necessary to choose between getting medical services and paying for food, rent, or other essentials of daily living.

Probably, for the 20 States com-

bined, any overstatement of medical costs met from public assistance funds was small and was more than offset by the value of services provided by public health agencies and other public and private agencies, hospitals, and clinics without charge

to assistance funds. In some instances, moreover, even though medical needs were not included in determining their payments, recipients undoubtedly used part of the money they received to pay for medical care.