

# Health Insurance For The Aged: Participating Health Facilities, July 1968

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TWO YEARS AFTER health insurance for the aged (Medicare) began operations, 6,865 hospitals with close to 1.2 million beds for adults, 4,702 extended-care facilities with about 330,000 beds, 2,093 home health agencies, and 2,566 independent clinical laboratories were participating in the program. This report presents data as of July 1968—the latest available—on the number and geographic location of these providers of services under Medicare. Also described are the changes occurring in the number of facilities since the end of the program's first year, as well as the terminations of participation since the beginning of the program.

Each provider of service must apply for and establish eligibility to participate in the program (see Definitions later in the article). Each must also meet the conditions of participation contained in the health insurance provisions of the Social Security Act and in the regulations formulated under the Act.<sup>1</sup> State health departments are responsible for certifying to the Department of Health, Education, and Welfare that providers do meet these health and safety requirements and qualify for participation.

Once certified to participate in the Medicare program, all providers of service must be recertified periodically to assure that they continue to qualify. Participating providers may also elect to withdraw voluntarily from the program. In addition, the certification of a hospital, extended-care facility, or other provider to participate may be terminated for failure to continue to satisfy the conditions of participation or for noncompliance with other requirements in the regulations.

Records are established and maintained by the

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<sup>1</sup> For a full description of the conditions, see Social Security Administration, *Conditions for Participation for Hospitals* (HIR-10), 1967; *Conditions for . . . Extended-Care Facilities* (HIR-11), 1968; *Conditions for . . . Home Health Agencies* (HIR-12), 1968; and *Conditions for Coverage of Services of Independent Laboratories* (HIR-13), 1968.

Social Security Administration for all facilities certified to participate in the Medicare program. These records are updated whenever a facility is recertified. Voluntary withdrawals and other terminations are also noted. The data shown here are based on these records.<sup>2</sup>

## NUMBER AND GEOGRAPHIC LOCATION

### Hospitals

A total of 6,865 hospitals in the country were participating in the Medicare program as of July 1968. Ninety-three percent of them were general and specialty hospitals, 5 percent were psychiatric hospitals, and 2 percent were tuberculosis hospitals. Seventy-one percent of the 1.2 million certified beds are located in general hospitals. Psychiatric hospitals account for 27 percent of the beds, and the remainder are in tuberculosis hospitals.

Data on the number of participating hospitals and beds by type of facility, geographic division, and State are presented in table 1. Significant regional and State variations become evident when the total number of certified beds in general hospitals is related to the number enrolled in the hospital insurance program as of January 1, 1968.

Nationally, there were 42 general hospital beds per 1,000 enrollees. Regionally, the number ranged from 36 per 1,000 in the East South Central to 46 per 1,000 in the Mountain States. Among individual States, general hospital beds per 1,000 enrollees ranged from 27 in Mississippi to 117 in Alaska. It should be recognized, of course, that bed rates are related here only to the

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<sup>2</sup> For further details on the certification process and the records established for facilities certified to participate in Medicare, see Howard West, "Health Insurance for the Aged: The Statistical Program," *Social Security Bulletin*, January 1967.

TABLE 1.—Number of participating hospitals, adult beds, and beds per 1,000 hospital insurance enrollees, by type of hospital, geographic division, and State, July 31, 1968

Area	Total <sup>1</sup>		General <sup>2</sup>			Psychiatric		Tuberculosis	
	Hospitals	Beds <sup>2</sup>	Hospitals	Beds	Beds per 1,000 enrollees <sup>4</sup>	Hospitals	Beds <sup>2</sup>	Hospitals	Beds <sup>2</sup>
Total, all areas	6,865	1,164,931	6,406	822,132	42.3	341	318,896	118	23,903
United States	6,753	1,153,340	6,302	814,727	42.2	338	316,502	113	22,111
New England	386	85,219	347	55,824	44.6	32	28,545	7	850
Maine	63	5,018	61	4,418	37.5	1	485	1	115
New Hampshire	35	5,136	33	2,054	33.6	1	2,400	1	82
Vermont	23	3,802	20	1,877	38.7	2	1,850	1	75
Massachusetts	103	43,227	172	31,924	50.8	17	10,725	4	578
Rhode Island	21	8,253	18	4,601	45.2	3	3,652	0	0
Connecticut	51	19,783	43	10,350	37.1	8	9,433	0	0
Middle Atlantic	814	277,049	735	159,760	41.3	71	115,420	8	1,869
New York	396	155,742	358	80,740	41.5	35	74,502	3	500
New Jersey	121	41,610	111	25,832	38.5	8	15,159	2	619
Pennsylvania	297	79,697	206	53,188	42.5	28	25,759	3	750
East North Central	1,172	227,892	1,048	170,182	45.3	77	50,922	47	6,788
Ohio	270	51,229	234	42,644	43.4	20	6,609	16	1,976
Indiana	137	25,024	123	18,343	37.7	9	6,088	5	593
Illinois	301	71,636	272	51,717	47.8	19	17,743	10	2,176
Michigan	276	56,347	252	38,089	51.1	17	16,799	7	1,459
Wisconsin	188	23,656	167	19,389	41.9	12	3,683	9	584
West North Central	918	103,500	879	83,331	43.9	31	19,168	8	1,001
Minnesota	196	26,417	186	19,031	46.9	7	7,107	3	279
Iowa	146	14,841	141	14,113	40.1	4	472	1	256
Missouri	170	28,991	159	22,663	41.2	10	6,278	1	50
North Dakota	64	5,524	62	3,749	56.6	2	1,775	0	0
South Dakota	63	3,458	63	3,458	43.0	0	0	0	0
Nebraska	110	8,393	106	7,690	42.4	3	573	1	139
Kansas	169	15,876	162	12,627	47.9	5	2,963	2	286
South Atlantic	827	146,057	771	106,170	40.3	42	34,585	14	5,302
Delaware	9	2,764	7	1,588	36.8	1	1,001	1	175
Maryland	59	23,742	49	12,118	44.1	9	11,124	1	509
District of Columbia	15	12,255	13	5,182	76.0	2	7,093	0	0
Virginia	119	18,450	108	15,804	46.0	7	1,540	4	1,040
West Virginia	83	9,134	77	8,176	42.0	5	568	1	380
North Carolina	150	23,911	143	17,494	44.8	3	4,923	4	1,494
South Carolina	72	13,001	69	7,529	41.3	3	5,472	0	0
Georgia	145	15,407	138	14,444	41.4	6	312	1	651
Florida	175	27,393	167	23,795	30.2	6	2,546	2	1,952
East South Central	486	50,546	464	44,069	35.8	9	4,344	13	2,133
Kentucky	131	15,653	119	10,942	32.9	5	3,770	7	941
Tennessee	153	17,278	145	15,724	42.6	3	515	5	1,039
Alabama	118	11,765	116	11,553	37.1	1	59	1	153
Mississippi	84	5,850	84	5,850	27.0	0	0	0	0
West South Central	910	91,049	887	74,506	42.9	16	14,460	7	2,983
Arkansas	107	9,766	104	7,766	34.1	2	1,428	1	572
Louisiana	121	15,116	117	13,356	45.8	3	1,409	1	351
Oklahoma	147	15,225	143	10,820	37.9	4	4,405	0	0
Texas	535	51,842	523	42,564	45.7	7	7,218	5	2,060
Mountain	394	35,797	380	29,721	46.0	11	5,690	3	386
Montana	66	3,611	64	3,274	47.7	1	142	1	195
Idaho	48	2,389	47	2,339	35.4	0	0	1	50
Wyoming	29	2,043	28	1,483	49.2	1	560	0	0
Colorado	89	12,722	85	8,955	49.2	4	3,767	0	0
New Mexico	45	3,279	44	3,187	48.0	1	92	0	0
Arizona	61	6,239	57	5,610	42.0	3	488	1	141
Utah	36	3,824	35	3,183	44.1	1	641	0	0
Nevada	20	1,690	20	1,690	62.9	0	0	0	0
Pacific	846	135,331	791	91,164	40.3	49	43,368	6	799
Washington	124	14,861	116	10,800	34.8	6	3,637	2	424
Oregon	90	10,336	85	7,254	33.7	4	3,003	1	79
California	586	105,754	546	69,642	41.2	37	35,816	3	296
Alaska	21	932	20	707	117.2	1	225	0	0
Hawaii	25	3,448	24	2,761	68.5	1	687	0	0
Other areas	112	11,591	104	7,405	47.5	3	2,394	5	1,792
American Samoa	1	145	1	145	( <sup>3</sup> )	0	0	0	0
Guam	1	199	1	199	164.7	0	0	0	0
Puerto Rico	105	11,041	97	6,855	45.2	3	2,394	5	1,792
Virgin Islands	5	206	5	206	80.3	0	0	0	0

<sup>1</sup> Includes 4 Federal hospitals; excludes 18 Christian Science sanatoria.

<sup>2</sup> For psychiatric and tuberculosis hospitals not accredited by the Joint Commission on Accreditation of Hospitals or the American Osteopathic Association, includes only active-care beds.

<sup>3</sup> Short-stay or long-stay hospitals. Includes separately certified medical

and surgical units and beds of psychiatric and tuberculosis hospitals not accredited by the Joint Commission on Accreditation of Hospitals or the American Osteopathic Association.

<sup>4</sup> Based on number of persons enrolled in HI program as of Jan. 1, 1968.

<sup>5</sup> Not available.

Medicare population but the beds are used by the general population—not just the aged. It should also be kept in mind that hospitals generally serve a population determined by area transportation patterns rather than by location in geographic subdivisions.

For the 50 States and the District of Columbia, the distribution according to the ratio of general hospital beds per 1,000 Medicare enrollees is as follows:

General hospital beds per 1,000 enrollees	Number of States	Percentage distribution
Total.....	51	100.0
Under 35.0.....	7	13.7
35.0-39.9.....	9	17.6
40.0-44.9.....	17	33.3
45.0-49.9.....	11	21.6
50.0-54.9.....	2	3.9
55.0-64.9.....	2	3.9
65.0-74.9.....	1	2.0
75.0 or more.....	2	3.9

A majority (53 percent) of the Nation's participating hospitals were voluntary nonprofit institutions, averaging 151 beds per hospital (table 2). Hospitals operated by State and local governments represented about one-third of all participating hospitals and averaged 247 beds per hospital. Thus, close to half (48 percent) of all beds in participating hospitals were in hospitals operated by State and local governments. In contrast, proprietary institutions represented 14 percent of all Medicare hospitals but they had only 5 percent of the beds—an average of 60 per facility.

## Extended-Care Facilities

Among the regions and the States, the variations in the ratio of certified beds in extended-care facilities to enrolled persons show a pattern similar to that for hospitals (table 3). The 4,702 participating facilities provided 17 beds per 1,000 enrolled persons. Regionally, the number of beds ranged from 12 per 1,000 enrollees in the East South Central States to 34 in the Pacific States. Among the individual States, the number ranged from 5 in Mississippi to 42 in Connecticut. These figures do not reflect actual occupancy or utilization and therefore do not represent the number of beds actually available to aged persons in July 1968. A distribution of the 50 States and the District of Columbia, according to the ratio of extended-care facility beds per 1,000 enrollees, follows:

Extended-care beds per 1,000 enrollees	Number of States	Percentage distribution
Total.....	51	100.0
Under 5.0.....	1	2.0
5.0-9.9.....	9	17.6
10.0-14.9.....	14	27.5
15.0-19.9.....	13	25.5
20.0-24.9.....	7	13.7
25.0-29.9.....	3	5.9
30.0 or more.....	4	7.8

About 68 percent of the participating facilities were privately owned. Somewhat more than one-fifth were operated by voluntary nonprofit organizations, and State or local governments operated the remainder (table 4). The participating

TABLE 2.—Number and percentage distribution of participating hospitals, by bed size and type of ownership, July 31, 1968

Bed size	Total		Voluntary		State and local government		Proprietary	
	Number	Percentage distribution	Number	Percentage distribution	Number	Percentage distribution	Number	Percentage distribution
Total.....	6,865	100.0	3,650	100.0	2,248	100.0	967	100.0
Under 25.....	673	9.8	215	5.9	265	11.8	193	20.0
25-49.....	1,668	24.3	700	19.2	614	27.3	354	36.6
50-99.....	1,654	24.1	855	23.4	536	23.8	263	27.2
100-149.....	858	12.5	545	14.9	226	10.1	87	9.0
150-199.....	528	7.7	369	10.1	125	5.6	34	3.5
200-249.....	371	5.4	257	7.0	88	3.9	26	2.7
250-299.....	254	3.7	199	5.5	52	2.3	3	.3
300-399.....	357	5.2	271	7.4	80	3.6	6	.6
400-499.....	165	2.4	125	3.4	39	1.7	1	.1
500-749.....	158	2.3	89	2.4	69	3.1	0	0
750-999.....	48	.7	20	.5	28	1.2	0	0
1,000-1,999.....	69	1.0	4	.1	65	2.9	0	0
2,000 or more.....	62	.9	1	(1)	61	2.7	0	0
Mean bed size.....	170	.....	151	.....	247	.....	60	.....
Median bed size.....	83	.....	105	.....	73	.....	46	.....

<sup>1</sup> Less than 0.05 percent.

facilities had 70 beds, on the average. Those operated by State or local governments were larger, averaging 86 beds. Those operated by

voluntary nonprofit organizations were much smaller: participating facilities of this type had an average of only 57 beds.

TABLE 3.—Number of participating extended-care facilities, nursing beds, beds per 1,000 hospital insurance enrollees, participating home health agencies, and independent laboratories, by geographic division and State, July 31, 1968

Area	Extended-care facilities			Home health agencies	Independent laboratories
	Facilities	Beds <sup>1</sup>	Beds per 1,000 enrollees <sup>2</sup>		
Total, all areas.....	4,702	329,621	16.9	2,093	2,566
United States.....	4,696	329,353	17.1	2,089	2,513
New England.....	378	25,195	20.1	361	158
Maine.....	25	972	8.2	22	1
New Hampshire.....	11	433	5.5	33	1
Vermont.....	11	447	9.2	10	4
Massachusetts.....	139	10,640	16.9	178	87
Rhode Island.....	22	1,087	10.7	19	17
Connecticut.....	170	11,616	41.6	99	48
Middle Atlantic.....	562	52,131	13.5	305	474
New York.....	257	29,584	15.2	130	233
New Jersey.....	80	6,150	9.2	50	122
Pennsylvania <sup>3</sup> .....	225	16,397	13.1	125	119
East North Central.....	738	54,474	14.5	312	369
Ohio.....	179	13,070	13.3	98	101
Indiana.....	67	5,298	10.9	26	32
Illinois.....	169	11,068	10.2	81	143
Michigan.....	139	12,641	17.0	49	76
Wisconsin.....	184	12,397	26.8	58	17
West North Central.....	437	23,132	12.2	166	141
Minnesota.....	141	7,441	18.3	47	12
Iowa.....	75	3,903	11.1	22	16
Missouri.....	72	4,867	8.8	32	56
North Dakota.....	25	1,223	18.5	7	10
South Dakota <sup>3</sup> .....	20	976	12.2	24	4
Nebraska.....	34	2,618	14.4	5	19
Kansas.....	70	2,104	8.0	29	24
South Atlantic.....	479	36,815	14.0	317	215
Delaware.....	9	639	12.5	8	4
Maryland.....	52	4,951	18.0	28	31
District of Columbia.....	7	1,641	24.2	2	6
Virginia <sup>3</sup> .....	51	3,738	10.8	129	20
West Virginia.....	27	1,195	6.1	21	8
North Carolina.....	46	3,207	8.2	16	11
South Carolina <sup>3</sup> .....	51	3,241	17.8	37	6
Georgia.....	77	6,012	17.3	15	20
Florida.....	159	12,291	15.6	61	109
East South Central.....	226	14,456	11.8	188	79
Kentucky.....	57	3,673	11.1	15	32
Tennessee.....	55	3,803	10.3	79	27
Alabama <sup>3</sup> .....	94	5,984	19.2	35	11
Mississippi.....	20	996	4.6	59	9
West South Central.....	470	30,173	17.4	210	249
Arkansas <sup>3</sup> .....	41	2,498	11.0	69	13
Louisiana <sup>3</sup> .....	103	6,553	22.5	54	20
Oklahoma <sup>3</sup> .....	37	1,494	5.2	55	38
Texas.....	289	19,628	21.1	32	178
Mountain.....	281	16,384	25.4	75	143
Montana.....	33	1,249	18.2	12	8
Idaho.....	40	2,490	37.7	10	1
Wyoming.....	10	341	11.3	8	3
Colorado.....	93	6,518	35.8	19	34
New Mexico.....	21	1,269	19.1	4	22
Arizona.....	41	2,422	18.1	10	50
Utah.....	29	1,499	20.8	9	12
Nevada.....	14	596	22.2	3	13
Pacific.....	1,125	76,593	33.9	155	685
Washington.....	107	8,409	27.1	25	57
Oregon.....	85	4,725	22.0	28	31
California.....	851	62,246	36.8	99	582
Alaska.....	6	132	21.9	1	2
Hawaii.....	16	1,081	26.8	2	13
Other areas.....	6	268	1.7	4	53
American Samoa.....	0	0	0	0	0
Guam.....	1	23	19.0	1	0
Puerto Rico.....	5	245	1.6	2	52
Virgin Islands.....	0	0	0	1	1

<sup>1</sup> Includes skilled nursing beds only.

<sup>2</sup> Based on number of persons enrolled in HII program as of Jan. 1, 1968.

<sup>3</sup> Subunits of State Health Department home health agencies certified on a Statewide basis counted separately.

TABLE 4.—Number and percentage distribution of participating extended-care facilities, by bed size and type of ownership, July 31, 1968

Bed size	Total facilities		Voluntary		State and local government		Proprietary	
	Number	Percentage distribution	Number	Percentage distribution	Number	Percentage distribution	Number	Percentage distribution
Total.....	4,702	100.0	1,047	100.0	437	100.0	3,218	100.0
Under 25.....	550	11.7	250	23.9	82	18.8	218	6.8
25-49.....	1,223	26.0	334	31.9	128	29.3	761	23.6
50-99.....	2,002	42.6	323	30.9	128	29.3	1,551	48.2
100-149.....	649	13.8	80	7.6	42	9.6	527	16.4
150-199.....	165	3.5	32	3.1	19	4.3	114	3.5
200 or more.....	113	2.4	28	2.7	38	8.7	47	1.5
Mean bed size.....	70		57		86		72	
Median bed size.....	64		45		53		70	

### Home Health Agencies

The State distribution of the 2,093 home health agencies participating in the program as of July 1968 is also given in table 3. Some perspective on the relationship between the number of certified agencies in each geographic division and the number enrolled in the hospital insurance program is gained from the figures in table 5. New England, for example, had 17 percent of the agencies but less than 7 percent of the enrollees. In contrast, 7 percent of the agencies but 12 percent of the enrolled population are in the Pacific States.

TABLE 5.—Number and percentage distribution of hospital insurance enrollees and participating home health agencies, by geographic division, July 31, 1968

Geographic division	Persons enrolled in HI program <sup>1</sup>		Participating home health agencies <sup>2</sup>	
	Number (in thousands)	Percentage distribution	Number	Percentage distribution
Total.....	<sup>3</sup> 19,480	100.0	2,093	100.0
United States.....	19,324	99.2	2,089	99.8
New England.....	1,258	6.5	361	17.2
Middle Atlantic.....	3,874	19.9	305	14.6
East North Central.....	3,763	19.3	312	14.9
West North Central.....	1,901	9.8	166	7.9
South Atlantic.....	2,644	13.6	317	15.1
East South Central.....	1,231	6.3	188	9.0
West South Central.....	1,739	8.9	210	10.0
Mountain.....	647	3.3	75	3.6
Pacific.....	2,267	11.6	155	7.4
Other areas.....	156	.8	4	.2

<sup>1</sup> As of Jan. 1, 1968; based on data recorded as of June 28, 1968.

<sup>2</sup> As of July 1968.

<sup>3</sup> Excludes enrollees in foreign countries and those with residence unknown.

### Independent Clinical Laboratories

Large variations from region to region and from State to State are revealed in the State distribution shown in table 3 for the 2,566 inde-

pendent laboratories approved for participation in the program as of July 1968. More than one-fourth of the approved laboratories were in the Pacific region and about one-fifth in the Middle Atlantic States. The East South Central States had the lowest number—79, or about 3 percent of the total.

California, with 582 approved independent laboratories or almost one-fourth of all those approved, had the largest number participating. New York, with 233 or less than half California's figure, ranked second. Six other states (Florida, Illinois, New Jersey, Ohio, Pennsylvania, and Texas) contained 100 or more participating laboratories. There were, however, eight States (Alaska, Delaware, Idaho, Maine, New Hampshire, South Dakota, Vermont, and Wyoming) that had only five or fewer laboratories.

### CHANGES FROM THE FIRST YEAR

Changes in the number of participating facilities and in the number of beds during Medicare's second year are summarized in table 6.<sup>3</sup> There was little change for hospitals, but for extended-care facilities, home health agencies, and independent clinical laboratories the number participating rose significantly. The changes reflect the net effect both of additional participating providers and of terminations of participation for some facilities since July 1967.

<sup>3</sup> For detailed data as of July 1967, see Aaron Krute and David Allen, "Health Insurance for the Aged: Number of Participating Health Facilities, July 1967, by State," *Health Insurance Statistics (HI-6)*, April 1968.

TABLE 6.—Number of participating facilities and number of beds, by type of facility, July 1967 and July 1968

Type of facility	Facilities			Beds		
	July 1967	July 1968	Per-centage change	July 1967	July 1968	Per-centage change
Hospitals.....	6,857	6,865	+0.1	1,157,603	1,164,931	+0.6
General.....	6,406	6,406	0	811,243	822,132	+1.3
Psychiatric.....	331	341	+3.0	322,886	318,896	-1.2
Tuberculosis.....	120	118	-1.7	23,474	23,903	+1.8
Extended-care facilities.....	4,160	4,702	+13.0	291,307	329,621	+13.2
Home health agencies.....	1,849	2,093	+13.2			
Independent laboratories.....	1,235	2,566	+9.0			

<sup>1</sup> As of end of November 1967, the earliest date for which data are available.

### Hospitals

From July 1967 to July 1968 the change in the total number of participating hospitals or certified beds was slight—a net increase of only eight facilities and 7,300 beds. Relatively, the number of beds rose less than 1 percent.

In Virginia, 13 more hospitals participated in the program in the second year and 3,920 or 27 percent more beds were certified. Louisiana included 12 more hospitals and added 1,300 beds to the number certified (a 9.4-percent rise).

### Extended-Care Facilities

The largest increase in the number of facilities participating in Medicare during the 12-month period since July 1967 occurred among the ex-

tended-care facilities. The number of facilities of this type participating in the program rose from 4,160 in July 1967 to 4,702 in July 1968—a 13-percent increase. Data showing the net change in the number of facilities, the number of certified beds, and the ratio of beds to enrolled population are summarized in table 7. More than half of the total net increase in the number of facilities happened in three regions—Pacific, East North Central, and Middle Atlantic. The largest relative growth (23 percent) occurred in the East South Central States, the smallest (3 percent) was reported for States in the New England region.

The number of certified beds in extended-care facilities also rose 13 percent. The Pacific States accounted for one-fourth of the total national increase of 38,314 beds. Almost one-third of the total growth was in the Middle Atlantic States and East North Central States, which together added 11,837 beds. For beds as for facilities, the greatest relative gain took place in the East South Central States.

The ratio of beds to the number of enrolled persons provides a gross measure of the relative abundance or scarcity of beds. The East South Central States showed the greatest regional increase; the ratio went from 9.5 beds per 1,000 enrollees in July 1967 to 11.8 in July 1968—an increase of 24 percent. In both years, however, this group of States had the lowest regional proportion of beds to enrollees. In the Mountain States, the region with the second highest ratio of beds to enrolled population, there was a slight decline (2.7 percent)—from 26.1 beds per 1,000 enrollees to 25.4 beds.

TABLE 7.—Number of participating extended-care facilities, number of beds, and ratio of beds per 1,000 enrollees, by geographic division, July 1967 and July 1968

Geographic division	Facilities			Beds			Ratio of beds to 1,000 enrolled population		
	July 1967	July 1968	Percentage change	July 1967	July 1968	Percentage change	July 1967	July 1968	Percentage change
Total.....	4,160	4,702	+13.0	291,307	329,621	+13.2	15.2	16.9	+11.2
United States.....	4,154	4,696	+13.0	290,893	329,353	+13.2	15.3	17.2	+12.4
New England.....	366	378	+3.3	23,172	25,195	+8.7	18.7	20.1	+7.5
Middle Atlantic.....	482	562	+16.6	45,678	52,131	+14.1	12.0	13.5	+12.5
East North Central.....	655	738	+12.7	49,090	54,474	+11.0	13.3	14.5	+9.0
West North Central.....	372	437	+17.5	20,806	23,132	+11.2	11.1	12.2	+9.9
South Atlantic.....	415	479	+15.4	31,877	36,815	+15.5	12.6	14.0	+11.1
East South Central.....	184	226	+22.8	11,385	14,456	+27.0	9.5	11.8	+24.2
West South Central.....	423	470	+11.1	25,557	30,173	+18.1	15.2	17.4	+14.5
Mountain.....	262	281	+7.3	16,301	16,384	+0.5	26.1	25.4	-2.7
Pacific.....	995	1,125	+13.1	67,027	76,593	+14.3	30.5	33.9	+11.1
Other areas.....	6	6	0	414	268	-35.3	2.8	1.7	-39.3

TABLE 8.—Number of participating home health agencies and independent laboratories, by geographic division, July 1967 and July 1968

Geographic division	Home health agencies			Independent laboratories		
	July 1967	July 1968	Percentage change	November 1967 <sup>1</sup>	July 1968	Percentage change
Total.....	1,849	2,093	+13.2	2,355	2,566	+9.0
United States.....	1,846	2,089	+13.2	2,306	2,513	+9.0
New England.....	358	361	+ .8	156	158	+1.3
Middle Atlantic.....	313	305	-2.6	462	474	+2.6
East North Central.....	314	312	- .6	348	369	+6.0
West North Central.....	122	166	+36.1	137	141	+2.9
South Atlantic.....	195	317	+62.6	123	215	+74.8
East South Central.....	154	188	+22.1	55	79	+43.6
West South Central.....	169	210	+24.3	207	249	+20.3
Mountain.....	70	75	+7.1	139	143	+2.9
Pacific.....	151	155	+2.6	679	685	+ .9
Other areas.....	3	4	+33.3	49	53	+8.2

<sup>1</sup> November is the earliest month for which data are available.

### Home Health Agencies and Independent Laboratories

Significant changes occurred in the number of participating home health agencies and independent clinical laboratories in Medicare's second year (table 8). Nationally, the number of agencies rose 13 percent. During the 8-month period from the end of November 1967 (when data on independent laboratories first became available) to the end of July 1968, the number of participating laboratories increased 9 percent.

Fifty percent of the growth in home health agency participation took place in the South Atlantic States, which added 122 agencies. Somewhat more than a third of the total increase occurred in the West North Central and the West South Central States. There was a slight decline in the number of participating agencies in the Middle Atlantic States and the East North Central States.

The South Atlantic States also accounted for the largest share of the total increase in independent laboratory participation. The 92 laboratories added in this region represented a 75-percent rise from November 1967 to July 1968. The next largest relative increases were in the East South Central and the West South Central States—44 percent and 20 percent, respectively. The smallest change—less than 1 percent—took place in the Pacific States.

### TERMINATIONS OF PROVIDER PARTICIPATION

Hospitals and other participating providers may withdraw (voluntary termination) from continued participation in the Medicare program for any reason, provided adequate notice is given to the Secretary of Health, Education, and Welfare and to the public. A facility may also lose its certification (involuntary termination) as a participating provider because it is found to not be in compliance with the applicable provisions of the law, the conditions of participation, and other regulations. The tabulation below presents the number of facilities whose participation in Medicare had been terminated through the end of September 1968, by type of provider and type of termination.

Type of termination	Hospitals		Extended-care facilities		Home health agencies, number	Independent laboratories, number
	Number	Beds	Number	Beds		
Total.....	53	2,781	266	12,923	32	125
Voluntary.....	35	2,319	244	11,663	32	123
Involuntary.....	18	462	22	1,260	0	2

Hospitals that ceased to participate in Medicare tended to be the smaller ones. Thus the 53 hospitals whose program participation had ceased by the end of September 1968 averaged 53 beds. The average number of beds for all hospitals participating in the program as of July 1968 was 170.

Thirty-five hospitals, with 2,319 adult beds, have withdrawn voluntarily from participation in the program. Most of these were small, proprietary hospitals. Of the 35 voluntary hospitals that withdrew, 18 did so because they could not continue to meet the conditions of participation at the time the hospital was resurveyed. Eleven of the remaining 17 had few or no Medicare admissions and withdrew accordingly. Involuntary terminations—mostly because 24-hour licensed nursing service was not provided—accounted for only 18 hospitals.

Participation has been terminated for a total of 266 extended-care facilities, with about 13,000 beds, since January 1967, when provision of extended-care benefits first began. These facilities tended to be slightly smaller than participating extended-care facilities in general. Only 22 facili-

ties (with 1,260 beds)—most of them privately owned—had their participation terminated involuntarily; all the terminations were primarily for failure to have 24-hour licensed nursing coverage. The other facilities (244) withdrew from the program voluntarily, chiefly because they did not meet certain requirements in the conditions of participation and were unwilling or unable to take corrective action, or they withdrew because of the paucity of Medicare admissions. Only about 10 percent of those that withdrew voluntarily did so as result of dissatisfaction with the reimbursement formula, as far as the Administration could ascertain.

Thirty-two home health agencies chose to withdraw from the program by the end of September 1968; none had their participation terminated involuntarily. Three-fourths of these agencies indicated that they were withdrawing because Medicare beneficiaries made little or no use of their services. The remainder withdrew to avoid involuntary termination as a result of unwillingness or inability to meet key standards in the regulations.

Participation of two independent laboratories had been involuntarily terminated as of the end of September 1968, because they did not have full-time qualified directors and supervisors. Of the 123 voluntary terminations occurring during this period, more than three-fourths (78 percent) were laboratories that have closed. The remaining 22 percent may have withdrawn from the program because of low Medicare beneficiary utilization.

## DEFINITIONS

*Participating provider of services.*—A hospital, extended care facility, or home health agency that has met the requirements for certification and entered into an agreement with the Social Security Administration (1) not to make charges for covered items and services except deductibles and coinsurance amounts, (2) to return any money incorrectly collected, and (3) to provide services on a nondiscriminatory basis in compliance with title VI of the Civil Rights Act of 1964.

*Participating hospital.*—Any hospital that meets the following certification requirements: (1) It is primarily engaged in providing diagnostic and therapeutic services or rehabilitation services under the supervision of physicians; (2) it maintains clinical records on all patients; (3) it has bylaws for staff of physicians; (4) it requires every patient to be under the care of a physician; (5) it provides 24-hour nursing services by or under super-

vision of a registered professional nurse and has a licensed practical nurse or a registered professional nurse on duty at all times; (6) it has a hospital utilization review plan; (7) it is licensed or approved where State or local law so requires; and (8) it meets other health and safety requirements of the Secretary of Health, Education, and Welfare. An institution is considered to meet the health and safety requirements for participation if it is accredited as a hospital by the Joint Commission on Accreditation of Hospitals (JCAH) or the American Osteopathic Association (AOA).

*Participating general hospital.*—Any hospital that meets the requirements for a participating hospital except those primarily for the care and treatment of mental diseases or tuberculosis. Included in this category are short-term specialty and long-term (specialty and chronic disease) hospitals.

*Adult hospital beds.*—Beds regularly available (those set up and staffed for use), including beds in isolation units, quiet rooms, reception and observation units, or any other such bed facilities that are set up and staffed for use by inpatients who have no other bed facilities assigned to or reserved for them. Excluded are (1) bassinets and pediatric beds, (2) beds in labor rooms and postanesthesia and postoperative recovery rooms, and (3) psychiatric holding beds.

*Participating tuberculosis hospital.*—A hospital that meets all the requirements for a participating hospital and that (1) is primarily engaged in providing, by or under the supervision of a physician, medical services for the diagnosis and treatment of tuberculosis; (2) maintains clinical records in the manner deemed necessary by the Secretary to be able to determine the degree and intensity of treatment of individuals entitled to hospital insurance benefits; (3) meets such staffing requirements as the Secretary finds necessary to carry on an active program of treatment; and (4) is accredited by the JCAH or the AOA. A distinct part of an institution can be considered a tuberculosis hospital if it meets the conditions even though the institution of which it is a part does not meet the conditions and, if the distinct part meets requirements equivalent to the accreditation requirements of the JCAH or the AOA, it could qualify under the program even if the institution is not accredited.

*Participating psychiatric hospital.*—A hospital that meets all the requirements for a participating hospital and that (1) is primarily engaged in providing, by or under the supervision of a physician, psychiatric services for the diagnosis and treatment of mentally ill persons; (2) maintains clinical records in the manner deemed necessary by the Secretary to be able to determine the degree and intensity of treatment of individuals entitled to hospital insurance benefits; (3) meets staffing requirements, as the Secretary finds necessary to carry on an active program of treatment; and (4) is accredited by the JCAH or the AOA. A distinct part of an institution can be considered a psychiatric hospital if it meets the conditions even though the institution of which it is a part does not meet the conditions and, if the distinct part meets requirements equivalent to the accreditation requirements of the JCAH or the AOA, it could qualify under the program even if the institution is not accredited.

(Continued on page 35)



TABLE M-3.—Selected social insurance and related programs: Beneficiaries of cash payments, 1940-69

[In thousands. For explanatory footnotes on programs, see table M-1]

At end of selected month	Retirement and disability					Survivor				Railroad temporary disability <sup>4</sup>	Unemployment		
	OASDHI <sup>1</sup>		Railroad <sup>1</sup>	Federal civil service	Veterans <sup>2</sup>	OASDHI	Railroad	Federal civil service	Veterans <sup>3</sup>		State laws <sup>5</sup>	Railroad <sup>4</sup>	Training allowances <sup>6</sup>
	Retirement <sup>2</sup>	Disability											
December:													
1940.....	148	-----	146	65	610	74	3	-----	323	-----	667	74	-----
1945.....	691	-----	173	92	1,534	597	4	(7)	698	-----	1,743	13	-----
1950.....	2,326	-----	256	161	2,366	1,152	142	25	1,010	32	838	35	-----
1955.....	5,788	-----	427	234	2,707	2,172	206	74	1,156	36	912	48	-----
1960.....	10,599	687	553	379	3,064	3,558	256	154	1,393	34	2,165	102	-----
1961.....	11,655	1,027	567	408	3,137	3,812	262	167	1,547	31	1,993	75	(7)
1962.....	12,675	1,275	585	438	3,177	4,103	270	182	1,653	30	1,585	59	3
1963.....	13,262	1,452	594	465	3,195	4,321	278	197	1,750	31	1,609	49	21
1964.....	13,697	1,563	600	494	3,204	4,539	286	214	1,848	29	1,351	41	51
1965.....	14,175	1,739	620	522	3,216	4,953	291	227	1,924	25	1,035	30	75
1966.....	15,437	1,970	630	564	3,194	5,360	299	240	1,995	23	936	18	65
1967.....	15,907	2,141	641	588	3,175	5,659	309	258	2,077	21	989	39	67
1968.....	16,264	2,335	647	613	3,171	5,963	318	274	2,151	25	941	19	61
1968													
May.....	15,998	2,237	642	597	3,170	5,795	314	265	2,151	17	886	18	80
June.....	16,047	2,258	641	601	3,164	5,816	315	267	2,253	15	837	15	77
July.....	16,089	2,278	641	606	3,165	5,842	314	268	2,253	17	814	15	50
August.....	15,978	2,279	643	609	3,166	5,858	315	269	2,253	22	852	16	55
September.....	16,186	2,297	646	610	3,166	5,892	316	270	2,233	24	731	17	66
October.....	16,060	2,309	647	611	3,167	5,905	316	271	2,233	24	685	21	63
November.....	16,159	2,329	646	612	3,152	5,941	318	273	2,233	24	725	18	62
December.....	16,264	2,335	647	613	3,171	5,963	318	274	2,151	25	941	19	61
1969													
January.....	16,308	2,354	646	614	-----	6,007	319	275	-----	29	1,270	25	76
February.....	16,319	2,360	646	616	-----	6,032	320	277	-----	29	1,356	24	72
March.....	16,321	2,371	646	618	3,152	6,051	320	278	2,155	25	1,251	21	84
April.....	16,315	2,385	647	622	-----	6,068	322	279	-----	29	1,077	19	71
May.....	16,328	2,392	647	625	-----	6,087	323	281	-----	24	844	18	66

<sup>1</sup> Includes dependents.

<sup>2</sup> Beginning Oct. 1966, includes special benefits authorized by 1966 legislation for persons aged 72 and over not insured under the regular or transitional provisions of the Social Security Act.

<sup>3</sup> Monthly number at end of quarter for survivor beneficiaries and, beginning 1969, for retirement and disability beneficiaries.

<sup>4</sup> Average number during 14-day registration period.

<sup>5</sup> A average weekly number. For programs included see table M-1, footnote 10.

<sup>6</sup> Unemployed workers in training under the Area Redevelopment Act of 1961 (November 1961-June 1966) and the Manpower Development and Training Act of 1962.

<sup>7</sup> Less than 500.

Source: Based on reports of administrative agencies.

## PARTICIPATING HEALTH FACILITIES

(Continued from page 19)

*Participating home health agency.*—An agency that meets the following certification requirements: (1) It is a public or private agency or organization primarily engaged in providing skilled nursing and other therapeutic services; (2) it has policies established by a group of professional personnel that includes at least one physician and one registered professional nurse; (3) provides supervision of services by a physician or registered professional nurse; (4) it maintains clinical records for all patients; and (5) it must be licensed or approved where State or local law so requires.

*Participating extended-care facility.*—A facility that has a transfer agreement with one or more participating hospitals and meets the following certification requirements: (1) It is primarily engaged in providing skilled nursing care and related services or rehabilitation services; (2) it has the medical staff to develop and execute policies and govern services; (3) it requires every patient to be under the care of a physician who is available for emergency calls; (4) it maintains clinical records for all patients; (5) it provides adequate 24-

hour nursing care; (6) it has a utilization review board in effect; (7) it is licensed or approved for licensing by the State or local agency; (8) it meets health and safety requirements specified by the Secretary; (9) it has appropriate methods for dispensing and administering drugs and biologicals.

*Extended-care facility beds.*—Only the beds available for patients receiving skilled nursing care. Where a part of a larger institution is participating as an extended care facility, only the skilled nursing beds are included. Domiciliary beds are excluded in all instances.

*Participating independent laboratory.*—A laboratory that is independent both of the attending or consulting physician's office and of a hospital meeting the conditions of participation in the program and that (1) is in compliance with all applicable State and local laws; (2) is under the direction of a qualified person; (3) is supervised by qualified personnel; (4) has a sufficient number of properly qualified technical personnel for the volume and diversity of tests performed; (5) maintains records, equipment, and facilities adequate and appropriate for the services offered; and (6) performs only those laboratory tests and procedures that are within the specialties in which the laboratory director or supervisors are qualified.