

## CHAPTER III.

**THE GENERAL ATTITUDE TO THE HEALTH INSURANCE SCHEME.****THE FUNDAMENTAL CHARACTER OF THE SCHEME.**

19. It will be remembered that, whereas the Scheme of National Health Insurance received a cordial reception on its first presentation to Parliament, a considerable volume of opposition was developed during the passage of the Bill and in the ensuing period before the Act came into full operation. The opposition, coming from various quarters, was directed against different aspects of the measure and based on considerations which had little in common. It is unnecessary here to consider the nature of the criticisms and the opposition of the Medical Profession, the threatened passive resistance of certain sections of the population or any of the other phases of antagonism to the Act. It is only fair to record that some of the original opposition was not professedly opposition to the general principles of the Act, but was rather directed to the administrative arrangements and the financial provisions made under it. Yet even so, it might have been expected that the appointment of the present Commission with its wide terms of reference and the publicity given to them, would have resulted in adverse representations being made to us on lines familiar to those who remember the exacerbation of spirit of 1911 and 1912.

20. In fact, however, we have received very little evidence directed against the Scheme as a whole, nor have we any reason to think that there now exists any considerable body of opinion adverse to the principle of National Health Insurance. The British Medical Association in their statement of evidence (Appendix XLVII) expressed a doubt as to whether under a limited expenditure out of public funds the best results in the way of improvement of the national health might be expected to be derived by the application of the money on the lines of the Scheme of National Health Insurance. They suggested that there were a number of other directions in which an equivalent expenditure would probably produce greater benefit to the public health, and they gave as instances of this, proper housing, town planning with due provision of open spaces and recreation facilities, smoke abatement, a pure milk supply, aid to medical research, and the like. Dr. B. G. M. Baskett submitted a statement (Appendix CXIX) in which he expressed the view that the efforts of the State to promote improvement in the general health of the community were not most profitably directed through a Health Insurance Scheme, and that in short "the only secure method

of improving the national health is to raise the national standard of living—that is to raise real wages."

21. It is perhaps permissible to concede the importance of the main consideration emphasised by Dr. Baskett without in fact admitting that it is relevant to the propriety of a system of insurance. It may cogently be argued that the general standard of living, of comfort and of well-being has a supreme influence on the health of the country; it does not follow that at any given stage a system of health insurance may not be expedient as machinery to obtain the best results in given conditions, nor can it be logically suggested that the existence of a health insurance scheme implies the denial of other methods of improving the health of the community. The observations of the British Medical Association are substantially, as it appears to us, directed to the same point. There are, it is true, many things, such as housing, town planning, smoke abatement and pure milk, which equally with medical attendance are essential to the public health. They are adjuncts to each other (Q. 14,796-9). Given "an immense sum of money," (Q. 14,805), it might conceivably be spent more advantageously, it is suggested, on certain of these essential adjuncts of medical service. We thus read the British Medical Association's evidence as a useful reminder that medical attendance is not in itself all that is necessary, not as implying any fundamental criticism of medical benefit as now provided. Mention may also be made of Lt.-Colonel Bickerton-Edwards (Appendix LII) and Dr. Milson Russen Rhodes (Appendix CXXI), who criticised the scheme on fundamental matters on its health side, the latter indeed going so far as to recommend a State medical service of salaried practitioners. Other witnesses, in their criticism, suggested such extensions of the Scheme in one direction or other, as would have rendered the insurance basis no longer appropriate.

22. In contrast to the paucity of evidence directed against the general principles of the present Scheme, we received from many different quarters a large volume of evidence in its favour, testifying to the advantages in health and social security which had been derived under it. For instance, the British Medical Association said that "the evidence as to the incidence of sickness benefit does point to the fact that the Scheme itself has almost certainly reduced national sickness, and we are quite sure that if the immense gain to national health includes immense gain to the comfort of the individual in knowing that he can have medical attention whenever he needs it, the gain is most marked; . . ." (Q. 14,613). Witnesses appearing on behalf of the Ministry of Health stated that "medically the Insurance Acts have educated the population." (Brock Q. 23,852.) "It

(the Act) has made itself felt throughout the whole of the industrial population." (*Brock Q.* 23,856.)

23. While the general principles of the Scheme are thus accepted, and indeed approved by most of the witnesses who appeared before us, we have found a considerable volume of criticism directed against certain aspects of the operation of the Act, as disclosed in the results of thirteen years' experience. It may be permissible in this Chapter to summarise and review with the utmost brevity the points to which such criticism has in the main been directed, reserving for later discussion a more detailed consideration of the critical arguments advanced.

#### THE SCOPE OF THE SCHEME AND THE SOURCES OF REVENUE.

24. In the first place, it may be observed that apart from the suggestions as to the lowering of the age at which insurance should begin, to which reference is made in Section A of Chapter XIII, we have had little criticism of the scope of the Scheme so far as concerns the persons included in it. Most of the witnesses were, moreover, practically at one in their approval of the present method of deriving the revenue, that is to say, by means of compulsory contributions from employers and workers with a proportionate contribution from the National Exchequer; though it may be observed that the National Confederation of Employers' Organisations pressed strongly for a reduction of the contribution and the assignment of a larger proportion of the cost than hitherto to the State (*App. CVII*).

#### THE SCALE OF THE BENEFITS.

25. On the "cash" side, criticism was directed from some quarters towards the present limitation of the money benefits and, in particular, an unfavourable comparison was instituted with the more generous scale of benefit under the Unemployment Insurance Scheme. On the other hand, this view was contested by many substantial witnesses on the grounds that the additional cash benefits now given by many Societies mitigated any insufficiency in the standard rates of benefit, and that, in any case, it was socially desirable to leave part of the field open to be covered by voluntary insurance. The fact that the maternity benefit was almost entirely absorbed by the doctor's or midwife's fees was also the subject of general comment. On the "health" side there was an almost unanimous opinion that extension of the scope of medical benefit to cover something more than general practitioner treatment was desirable and necessary, and many witnesses pressed on us the need for linking up more effectively the medical provision under the Scheme with the numerous other forms of public provision for promoting health and preventing disease. A very large part

of the evidence submitted to us was, on the one hand, concerned with the conditions under which the existing medical benefit could be extended or supplemented by other benefits of a medical nature and, on the other hand, with the possibility of overcoming the lack of co-ordination with which at present the medical services of the country are frequently reproached. The development of maternity benefit from a mere cash payment into an adequate provision of skilled supervision and treatment of mother and child during the period centred on the confinement was urged by numerous witnesses, including several representative bodies devoted specially to the interests of working women. Much emphasis was also laid on the desirability of developing, as far as practicable, the possibilities which the scheme offers for the prevention of illness and the improvement of the general standard of health.

#### THE INEQUALITIES OF BENEFIT.

26. We also received much evidence in criticism of the inequalities of benefit which result from the variations between the valuation surpluses of Approved Societies and of the confusion alleged to be consequent on the comparative freedom which Societies enjoy in selecting and, indeed, in defining the content of additional benefits other than an increase in the rates of the cash benefits. The opinion was freely expressed by certain witnesses that the present arrangements did not result in the fullest advantages being secured to the general body of insured workers in return for the expenditure incurred, and that in a National Scheme supported by uniform contributions compulsorily levied, these wide inequalities of benefit were a serious blemish. Other witnesses, on the other hand, contended vigorously for the maintenance of the present system. In the view of these witnesses the enforcement of a uniform rate of contribution in the case of all insured persons, whatever the differences in their economic conditions or the variations in the risks to which they are subject, occupationally or for other reasons, cannot otherwise be justified. Some of those who advanced this claim relied on pledges given when the Bill of 1911 was before Parliament, to the effect that, to meet this difficulty, insured persons should be free to choose their own Societies and the Societies should have full control of their own surpluses. In this particular sphere, indeed, it became evident that we had to recognise the existence of opposed and apparently irreconcilable opinions held in each case by schools of thought whose views were entitled to respect and consideration.

#### THE ADMINISTRATIVE AGENCIES.

27. Another matter to which much of the evidence was directed was that of the suitability of the Insurance Committees

and the Approved Societies as agencies for the administration of the health and cash benefits, respectively. So far as Approved Societies are concerned, this is not so much one question as a whole group of questions calling for careful consideration from many different angles.

#### GENERAL SATISFACTION WITH THE SCHEME.

28. All these grounds of criticism, as well as the suggestions received by us in connection with various details of the Scheme and our proposals for its modification and extension, are dealt with in the succeeding chapters of our Report. In this place we have restricted ourselves to a summary mention of these points in order to give a preliminary view of the problems before us. We can, however, say at once that we are satisfied that the Scheme of National Health Insurance has fully justified itself and has, on the whole, been successful in operation. The workers of this country have obtained under it substantial advantages, in particular by securing the title to free medical attention and medicine whenever and as soon as these are required, and by the proportionate diminution, to the extent of the cash benefit granted, of their anxiety as to the loss of wages during illness. Furthermore, the Scheme has, on the whole, been satisfactorily administered, notwithstanding the difficulties and antagonisms at the outset, and the peculiar and urgent problems which arose when vast numbers of men left insurable employment for the theatres of war and their place in the industries of the country was taken by women entering insurance, consequently, for the first time. The contributions have been collected and the benefits provided with a marked degree of efficiency. We are convinced that National Health Insurance has now become a permanent feature of the social system of this country, and should be continued on its present compulsory and contributory basis. At the same time, if the Scheme is to be made of the fullest advantage to the health and well-being of the nation, there are, in our opinion, various modifications and extensions that could, with advantage, be made, as and when opportunity offers and funds become available.

## CHAPTER IV.

### THE RELATED SCHEMES OF SOCIAL WELFARE.

#### GENERAL NATURE OF THE EVIDENCE.

29. In the very brief summary contained in Chapter II we have described the Health Insurance Scheme viewed as a self-contained system, and have intentionally refrained from looking beyond its borders. Our reference, however, permits and, indeed, requires us to examine the relationship in which the Scheme stands to those other activities of the State which are concerned with the promotion of the health of the nation. We take the view that any element of those other schemes which reacts in a substantial way upon the working of the system of Health Insurance appropriately comes within our purview.

30. Accordingly we have received and considered evidence relating to the various Public Health services as exemplified in the schemes of Maternity and Child Welfare, the arrangements for dealing with infectious diseases, tuberculosis, and venereal diseases, and the work of the Port Sanitary Authorities. All these services have a very direct bearing on National Health Insurance inasmuch as, by removing conditions prejudicial to the health of the community, or by the provision of remedial measures, they tend to diminish the volume of sickness and so to reduce expenditure on sickness and disablement benefits. We have also taken notice of the problems of the Poor Law medical service in its relation to medical benefit, and have considered the extent to which the cash payments provided as sickness and disablement benefit require to be supplemented by the grant of relief under the Poor Law. We have, further, heard evidence as to the system of medical inspection in factories, which is administered by the Home Office; and of medical inspection and treatment in schools, which is supervised by the Board of Education. To a less extent we have considered the Unemployment Insurance Scheme. The main features of that scheme are, of course, outside our reference. But the problems created by the inequality in the rates of cash benefits under the Health and Unemployment Insurance Schemes and the possibility of devising measures to secure from the Employment Exchanges certification of genuine unemployment as evidence for the excusal of arrears under the Health Insurance Scheme, have to a limited extent brought the Unemployment Insurance system under our review.

31. The Ministry of Health have submitted to us (in App. CIV) a statement as to the services concerned with the public health, maternity and child welfare, infectious diseases, tuberculosis, venereal diseases, port sanitation and medical relief and