THE UNIVERSITY OF MANITOBA

THE ECONOMIC STATUS OF PUBLIC WARD PATIENTS IN THE WINNIPEG GENERAL HOSPITAL

A Study of the Aged, the Persons on Public Assistance, the Unemployed and the Low Income Groups in Regard to Their Stated Expectation to Pay Hospitals Bills

Being the Report of a Research Project Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Social Work

By

Nelson Gutnick

Winnipeg, Manitoba

June, 1957

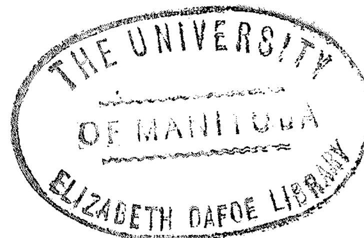


TABLE OF CONTENTS

CHAPTER		PAGE
	LIST OF TABLES	iii
	LIST OF FIGURES	iv
I	INTRODUCTION	1
	Purpose and scope of the study Setting of the study	
II	BACKGROUND OF THE PRESENT STUDY	5
	Historical development of hospitals The Winnipeg General Hospital Factors affecting the cost of hospital care Hospital utilization by medical indigents Related studies	
III	THE GROUPS STUDIED AND METHODS EMPLOYED	17
	Selection of cases for study Methods of collecting data The interview The interview schedule Method of analysis Age composition Classification according to categories Financial situation and plans for payment Definition of terms used Limitations	
IV	ANALYSIS OF DATA	23
	Age distribution Distribution according to economic status Consideration of four nonwage and low-income groups	

TABLE OF CONTENTS

CHAPTER		PAGE
IV	Aged Public Assistance Unemployed Low Income
V	SUMMARY AND CONCLUSIONS	41
	Summary General conclusions Suggestions for further research
BIBLIOGRAPHY	....	46
APPENDIX	
	A) Interview schedule	49

LIST OF TABLES

TABLE		PAGE
I	Anticipated payment of hospital bill by aged patients, by source of income	28
II	Anticipated payment of hospital bill by aged patients, by source of income and cash savings	29
III	Anticipated payment of hospital bill by unemployed patients, by earnings and cash savings	34
IV	Anticipated payment of hospital bill by the low-income group, by employment and earnings	39

LIST OF FIGURES

FIGURE		PAGE
I	Age distribution of patients	24
II	Distribution according to economic status	25
III	Primary sources of money income for aged persons	27
IV	Primary sources of money income of public assistance recipients	31
V	Earnings of public assistance recipients	32
VI	Earnings and savings of the low-income group	38

CHAPTER I

INTRODUCTION

During recent years hospital use has undergone many changes. Improved facilities, general population growth and increased longevity have caused a marked increase in hospital utilization. Further changes have been brought about by expanded government support of public ward beds, the increasing number of government sponsored bodies in the health field and the growth of insurance schemes.

As the Economics Committee of the Medical Staff of the Winnipeg General Hospital believed that these trends might be affecting the character of the public ward population, they requested that the School of Social Work, University of Manitoba, carry out a socio-economic analysis of public ward patients.[1]

---

[1] Under current definition, a public ward patient at the Winnipeg General Hospital is simply a patient who is admitted to the public ward. This status is given to the patient by the Admitting Office staff, acting independently or on the advice of the admitting doctor, and sometimes on the advice of the Accounts Office. Once the admission is effected, the patient is not subject to a medical fee from any of the doctors in attendance. He becomes available to the teaching staff for investigation and teaching. The hospital administration is compensated out of public funds for the cost of his hospital care, if the patient is unable to pay.

The School agreed to undertake a pilot project consisting of a study of patients discharged from the public wards of the hospital during the period of one month.

The purpose of the writer's study, which forms a part of the larger project, has been to analyse the relationship between the patient's financial situation and his stated intent with regard to payment of the hospital bill.

It was recognized that, whatever the general employment situation, there are always certain segments of the population who are unable to meet the costs of hospital and medical care through their own resources. These groups include individuals who are dependent upon public assistance for their daily essentials as well as those who are normally self-supporting but who cannot pay for hospital and medical care.

For purposes of analysis the writer grouped the public ward patients according to four non-wage and low-income groups as follows:

1. Persons in the older age brackets
2. Persons receiving public assistance
3. Unemployed persons
4. Persons with income insufficient to buy both the daily necessities of life and hospital care

It was realized that there was overlapping among these categories, that some individuals falling within these groups were able to pay, while others outside the classifica-

tion were unable to pay for hospital care.

The categories were derived from the report of the Commission on Financing Hospital Care, 1951, a nation-wide study in the United States. In its report on Financing Hospital Care for Non-Wage and Low-Income Groups, the Commission gave priority to those groups who were unable to pay the cost of hospital care.

Related studies and background material relevant to the problem are discussed in Chapter II.

The study was based on information supplied by patients who were discharged from the Winnipeg General Hospital during the month of November, 1956. An elaboration of the methods employed is provided in Chapter III. All pertinent information was tabulated and is dealt with in Chapter IV. The final analysis and conclusions are set out in Chapter V.

The necessity of placing the emphasis on economic factors to the exclusion of significant social factors has set a limitation to this study. While the writer recognized their importance in understanding the population groups more adequately, he was restricted because significant social data were not available. Roth, Acker, Roemer and Myers,[1]

---

1. F. B. Roth, M. S. Acker, M. I. Roemer and G. W. Myers, "Some Factors Influencing Hospital Utilization in Saskatchewan," Canadian Journal of Public Health, XLVI, (April, 1955). pp. 303-323.

suggest that housing might affect the desire and need for hospitalization. They advanced the theory that educational level may have some bearing on the inclination to seek medical advice and that ethnic background may influence habits of hospital utilization. In order to gain more comprehensive knowledge of the groups who use the public wards, consideration should be given to such social factors.

CHAPTER II

BACKGROUND OF THE PRESENT STUDY

The first hospitals were charitable organizations set up to care for the aged, indigent and infirm. Until late in the nineteenth century, accommodation was restricted largely to those who had no homes or who could not be cared for in their homes.

As a result of technological, scientific, social and economic changes, the old idea of hospital scope and function has been greatly modified. While hospitals continue to provide care for the poor to a large degree, they have become medical centers for everyone. The extended scope of hospitals has made it necessary for government at various levels to take an increasingly active role in financing hospital care, while philanthropy provides a progressively smaller percentage of the cost of services.

Today, hospitals may be grouped according to the function they perform as well as the auspices under which they operate. The "long term" institutions, largely under government auspices, provide care for the mentally ill or those suffering from chronic disease such as tuberculosis. Physicians are usually paid a salary by these hospitals. General hospitals, on the other hand, serve mainly "short-term" cases and are chiefly under non-government auspices.

In most instances, physicians in general hospitals are paid directly by the patient or provide their services free of charge to those who cannot pay.[1]

Although the provision of comprehensive and effective treatment for all patients remains the focus of hospital activity, the contemporary general hospital has greatly expanded its functions. In recent years the goal of treatment has been extended to include prevention of illness through coordination of special health services of other agencies. Rehabilitation programs work to restore patients to functional activity; medical social service departments exist to assist patients, in collaboration with the medical staff, to meet social problems adequately in order to insure the greatest possible benefit from medical treatment. The out patient departments function to treat illness detected in the early stages, and to give guidance in the area of health education.

In addition to these functions, general hospitals operate to provide diagnostic facilities for community physicians as well as education for both professional and

---

1. Michael M. Davis, _Medical Care for Tomorrow._ New York: Harper and Brothers, 1955. p. 112.

non professional staff. The teaching hospitals have an obligation to conduct a research program.[1]

The Winnipeg General Hospital, a voluntary, non-profit institution, was organized in December, 1872, as a result of a small-pox epidemic, and was incorporated in May, 1875. By 1879, eight per cent of the hospital population were paying patients. Patients were admitted to the public ward on a doctor's certificate.

In 1883 when the University of Manitoba School of Medicine was founded, the Winnipeg General Hospital became a teaching hospital, and since that time public ward patients have been available to the teaching staff for investigation and instruction. Public ward patients are attended by doctors of the Attending Medical Staff who do not receive payment from the hospital for their services which are given free to those who cannot afford the fee.

Under the auspices of the Medical School an extensive research program has developed. As the needs of the community grew, the hospital extended its facilities and the services offered. The Outpatients' Department was organized in 1883 and the Social Service Department was set up in 1910.

As early as 1883 the government aided hospital financing. The Charity Aid Act of that year provided for the

---

1. Commission on Hospital Care, Hospital Care in the United States. New York: The Commonwealth Fund, 1947. pp. 66-92.

payment of twenty-five cents per day for each public ward patient.

On April 1, 1957, Manitoba hospitals introduced the inclusive rate system under which an individual knows in advance the amount of his daily hospital bill. Winnipeg General Hospital inclusive rates for public wards are $13.40 per day for the first thirty days and $10.65 per day for periods after thirty days of care.

If the patient is unable to pay or has not made arrangement for payment within thirty days of discharge, the responsible municipality is contacted for payment.

The provincial government pays approximately fifty cents per day for each patient in a teaching ward as well as an annual grant.

In addition to extension of functions, advances and specialization in the medical field have brought about greater complexity in hospital organization, the addition of diagnostic and therapeutic facilities as well as auxiliary services. The scope of the hospital has been extended to include a progressively larger number of patients, at the same time providing more desirable accommodation. This is particularly true of the public wards where there is a trend toward smaller units.

Specialized services and improved hospital facilities together with inflation in prices have greatly increas-

ed the cost of providing hospital care. Also effecting costs is the growth of population with a resultant growing demand for hospital care.

In Canada, admission to hospital has increased considerably year by year, and the rate of admission per thousand has also increased. In Manitoba, as in other Western provinces, admissions per one thousand population are above the Canadian average.

The following are estimated admissions to general and allied special hospitals per one thousand population:[1]

1	1946	1948	1950	1951	1952	1953
Canada	106	115	123	127	131	135
Manitoba	125	129	134	147	147	149

United States statistics show that:

"In 1935, one person in eighteen was hospitalized in a non-federal general hospital; by 1952 utilization had increased to the extent that one person in about nine was admitted." 2.

The following figures indicate the number of admissions per one thousand population to general and allied hospitals in the United States.[3]:

1935	1942	1949	1950
58.2	90.3	108.5	117.8

1. Department of National Health and Welfare, Research Division, Hospitals in Canada, General Series Memorandum Number Ten. Ottawa: Government of Canada, Queen's Printer, 1955. p.40.

2. John H. Hayes (ed.). Factors Affecting the Costs of Hospital Care. New York: The Blakiston Company, Inc., 1954. Vol. I, p. 19.

3. ibid, p. 14.

The increase in hospital utilization may be attributed in part to an aging population. It is estimated authoritatively that there will be an increase of twenty-five per cent in the aged (over sixty-five) population of Canada from 1951 to 1961, and an increase of fifty per cent from 1961 to 1971.[1]

The following percentages indicate Manitoba's aged population:[2]

1931	1941	1951	1961 (projected population)
4.5	6.2	8.5	8.9

United States Census figures show a similar trend, as follows:[3]

1930	1940	1950	1960 (projected population)
5.4	6.8	8.2	9.1

A lengthened life span for most people has meant more chronic illness. In 1951 the number of individuals admitted to hospital per thousand population was approximately eighty per cent higher in the aged group than for those under sixty-five. Similarly, the number of days of care in this

---

1. Age and Opportunity, Welfare Council of Greater Winnipeg, 1956. p. 1, citing H. G. Page "Our Older Population" Canadian Welfare, (May 1, 1955), p. 6.

2. H. G. Page, "Changing Patterns of the Canadian Population", Canadian Journal of Public Health, XLIV, (June, 1953), p. 191.

3. Harry Becker (ed.), Financing Hospital Care for Non-wage and Low Income Groups. New York: McGraw-Hill Book Company, Inc., 1955. p. 13, citing U.S. Bureau of the Census.

group was 335 per cent higher and the average length of stay approximately 144 per cent higher than for the group under age sixty-five.[1]

The average length of stay in Canadian hospitals in 1951 was 9.2 days for those under sixty-five, while the over sixty-five age group had an average stay of 22.4 days[2] which compared to the American figures of 9.4 and 22.[3]

In general, the contagious diseases have been displaced by disability and chronic ailments as public health problems.[4]

Generally speaking, there has been a gradual decrease in the average length of stay. The Commission on Financing Hospital Care states that "from 1935 to 1952 the average length of stay in non-federal general hospitals declined a day every four years."[5]

This trend is borne out in the figures for Manitoba which indicate that in 1946 the average length of stay

---

1. C. P. Faeder, "Institutional and Medical Care Aspects of an Aging Population," Canadian Journal of Public Health, XLIV, (June, 1953). p. 209.

2. Ibid.

3. Harry Becker, op.cit. Citing American Medical Association and Social Security Administration Appendix, Table 3.

4. Dominion Bureau of Statistics, Department of Trade and Commerce, Report of Hospitals, XI. Ottawa: Government of Canada, Queen's Printer, 1954, p.1.

5. John H. Hayes, op.cit. p. 21.

was 9.6 days, which declined to 8.5 days in 1953.[1] Teaching hospitals, in general, have a greater average length of stay.[2]

Figures from the Winnipeg General Hospital indicate that the patients in the public ward average 13.8 days of care, while semi-private average 8.9 days, and private patients twelve days.[3] The Ontario study of public general hospitals showed that public ward patients had a greater average length of stay than paying patients. This study suggested several probable reasons for the average longer stay of municipal indigents: lack of a suitable home for convalescent care, greater frequency of complicated conditions, late diagnosis and more advanced disease on admission.[4]

The Ontario study indicated also a greater frequency of utilization among indigent patients as compared with those able to pay part or all of the costs of hospital care. Several possible reasons were advanced including lowered vitality, lack of resistance, weak psychological stimulus to recovery and poor home facilities.[5]

---

1. Hospitals in Canada, loc. cit.
2. John H. Hayes, op. cit. p. 101.
3. Winnipeg General Hospital, Reports and Accounts, 1955.
4. A Survey of Public General Hospitals in Ontario Part I - A Summary. Division of Medical Statistics, Ontario Department of Health, 1940. p. 29.
5. Ibid, p. 73.

An extremely high incidence of general hospital utilization by public assistance recipients as compared to the rest of the population was indicated by a Saskatchewan study. The study concluded that "it is evident that for an indigent social group, hospitalization tends to solve social as well as medical problems, so that it occurs more frequently and for longer durations than among self-supporting persons."[1]

Faeder pointed out that the percentage of public assistance recipients in Canada receiving at least one type of care during the year increased from 65.4 per cent in 1949-50 to 70.4 per cent in 1951-52.[2]

Although public ward utilization is increasing and services available to the indigent group have been greatly expanded, full use is not being made of these services. Govan suggests that the services are sometimes offered in such a way which does not respect the dignity of the individual.[3]

It is becoming more generally recognized that medical care for the indigent should be available in the same quality and quantity as that for paying patients. In most

---

1. Milton I. Roemer, Carmen P. Faeder, and Murray S. Acker, "Medical Care for the Indigent in Saskatchewan", Part I, <u>Canadian Journal of Public Health</u>, XLV, (November, 1954). p. 470.

2. C. P. Faeder, <u>op. cit.</u> p. 206.

3. E.S.L. Govan, "Indigent Care: The Needs of the Recipient," <u>Canadian Journal of Public Health</u>, XLVI, (February, 1955). p. 82.

instances the medically needy are considered members of the general assistance group and must meet eligibility standards set for that group. Thus local standards of eligibility apply rather than an overall policy decision regarding the marginal group.[1]

In the Winnipeg General Hospital, a patient may be recommended for public ward admission by the admitting doctor. Eligibility for public ward care may be determined by the Admitting Office, the Accounts Office or at the request of the patient.

Ideally, qualified persons would be available to determine the important socio-economic factors in each individual case. These factors would include family responsibilities, present and future obligations, and a consideration of the patient's standard of living.

The first comprehensive study of a general hospital was carried out by the Commission on Hospital Care[2] which published its report in 1947. The Commission was organized to give an objective analysis of the situation in hospitals in the United States with a view to future planning of facilities and services, and the formulation of a national plan for health service.

---

1. Harry Becker, op. cit. p 64.

2. Commission on Hospital Care, Hospital Care in the United States. New York: The Commonwealth Fund, 1947.

The Commission concluded that the following factors have an important effect on hospital problems and must be considered for future planning:

1. Population factors such as age composition, birth rates, trends in mortality rates

2. Local factors related to hospital utilization

3. Socio-economic factors including the level of living index

It was recommended that a subsequent study be undertaken to analyze the various problems associated with financing hospital care. As a result the Commission on Financing Hospital Care in the United States was established in 1951 to function for a two year period.

The Commission's objective was "to study the costs of providing adequate hospital services and to determine the best systems of payment for such services."[1]

Three volumes were published: Factors Affecting The Costs of Hospital Care, Prepayment and the Community, and Financing Hospital Care for Non-wage and Low-Income Groups.

The latter report was based on the recognition that many persons, because of low income or inability to work, are unable to pay for hospital care at the time of illness, or budget for care through prepayment. It was

1. Harry Becker, op. cit. p. viii.

concerned with the necessity of providing hospital care for those who are unable to pay the costs on a basis that assures the voluntary hospital of adequate reimbursement.

Priority was given to five groups: the aged, (over sixty-five), the unemployed; the disabled; public aid recipients; the low income group. These categories were discussed in regard to a) employment status, b) income and assets, c) health, d) frequency and length of hospitalization, e) who pays for their care.

Recommendations included proposals for financing care for each of these five categories. The report stressed the need for modification, and extension of voluntary prepayment schemes.

The report provided a basis for this study of public ward patients. However, because of the extensive scope of the Commission, the statistics which they employed could not be used for comparative purposes.

A description of the methods of collecting data and analytic procedures used in this study is given in the following chapter.

CHAPTER III

THE GROUPS STUDIED AND METHODS EMPLOYED

Data used in the study was obtained through interviews of patients who were discharged from the public wards of the Winnipeg General Hospital during the month of November, 1956. Interviewing of the patients was done by nine second year students of the School of Social Work of the University of Manitoba, and three graduate social workers, one of whom was a part time worker for the Social Service Department. Patients who could not speak English were interviewed by the interpreter on the staff of the Social Service Department.

Patients who died during the month were not included. New born babies were not considered separate admissions, but the baby's bills were added to the mother's bills. Patients who were admitted on more than one occasion were considered as separate admissions.

Following corrections for such instances, a total of 371 patients were considered subjects for the study.

If the patients were too young, senile, mentally retarded or severely emotionally disturbed, the information was obtained from a parent, relative or friend. When certain

information was not available a note was left for the responsible person or a telephone call was made.

An interview schedule was used as a basis for obtaining information. Sections of the schedule were prepared by the second year students of the University of Manitoba, School of Social Work, while the sections concerned with types of illness and costs were compiled by an advisory committee, who also approved the schedule[1].

The part of the schedule which asked for medical information, length of stay and cost of hospitalization and cost of medical care was filled in by the medical records office, the accounts office and by medical staff of the hospital. In recording cost of medical care, the scale of Manitoba Medical Services was used.

After the interview schedules had been completed and checked, selected information was coded and printed on individual cards.

The writer studied the make-up of the public ward population with regard to the following:

---

1. The Committee was made up of Dr. Ron Bradley, Superintendent of the Winnipeg General Hospital; Dr. J.C. Wong, Assistant Superintendent; Dr. A.A. Klass and Dr. F.A.L. Mathewson of the Economics Committee of the Medical Staff; Miss I. McDermid, Director, Social Service Department, Winnipeg General Hospital; and Professor Maysie Roger, Director of Research, School of Social Work.

(1) Age composition

(2) Composition by groups: the aged, unemployed, low income and public assistance. Pertinent factors related to each of these four categories were examined

(3) Plans for payment of hospital costs

The population was tabulated according to six age groups. The selection of age groups was based upon the division used by the Dominion Bureau of Statistics in a study of the labor force.[1] One modification was necessary, however. While the Bureau considered the aged group as sixty-five plus, the writer subdivided this into two groups, sixty-five to sixty-nine and seventy plus, as those persons between sixty-five to sixty-nine may be eligible for Old Age Assistance whereas Old Age Security is universal without a means test to those seventy and over.

A second tabulation was made to show the distribution within four population groups which were defined as follows:

(1) The aged group refers to those persons seventy years of age and over, and their dependents. This category includes all couples who receive both Old Age Security and Old Age Assistance, and their dependents.

---

1. Dominion Bureau of Statistics, Department of Trade and Commerce, Labour Force, Vol. V of 9th Census of Canada, 1951. Ottawa: Government of Canada, Queen's Printer, 1953, Table XV.

(2) The public assistance group is composed of those persons under the age of seventy who were totally or partially dependent upon public aid for their livelihood at the time they or their dependents were admitted to hospital. Public Aid refers to municipal or provincial aid and categorical programs such as Old Age Assistance, Mother's Allowance, Blind Person's Allowance, and Disabled Person's Allowance.

(3) The unemployed group includes those persons between the ages of fourteen and seventy who were unemployed or retired, but not in receipt of public assistance at the time they or their dependents were admitted to hospital.

(4) The low income group refers to those wage earners between the ages of fourteen and seventy who were employed seasonally, casually, full or part time[1] at the time they or their dependents were admitted to hospital.

The aged group was divided into four categories according to their source of income:

1) Those essentially dependent upon Old Age Security

2) Those receiving Old Age Security supplemented by public assistance

3) Those with earnings who receive Old Age Security

4) Those with earnings as their chief source of income

---

1. Throughout the report, part-time will be considered to include part-time, seasonal or casual labour.

Each of these categories was considered in terms of savings.

A classification was made of the public assistance group according to the number receiving each type of assistance. The earnings of public assistance recipients during the twelve months previous to admission were tabulated.

The low-income group was sub-divided into two categories:

1) Those fully employed

2) Those employed on a part time basis

These categories were tabulated according to savings and earnings for the twelve months prior to admission.

The unemployed group were tabulated according to savings as well as earnings during the twelve months prior to admission.

Each of the four groups was examined according to plans for payment as stated by the patient or person responsible. Patients in the unemployed and low-income groups with earnings in excess of $3000. were considered in regard to additional factors including type of employment, number of dependents, debts, hospital and medical bills. Because of pride, people have a tendency to state they intend to pay their bills while actually they could not do so. No follow-up study was done to determine whether or not these plans were realistic or were carried out.

As the information obtained from the patient or person responsible was not subject to verification, an accurate picture may not have been given. The reliability of the information would depend upon their familiarity with the family situation.

There were twenty-two patients who did not indicate their earnings, with the result that these were omitted from the actual calculations. Four of these gave no information whatsoever. As thirteen were within the low-income group, there is a possibility that this number might have skewed the results.

Certain omissions from the schedule have presented limitations to this study. No differentiation was made between farm and non-farm income. Total farm income with no allowance for income in kind or operating expenses gives an incomplete picture. Secondly, although home or farm ownership was shown, the schedule did not indicate total assets of this, or other personal property.

The results of the tabulations and analyses are recorded and discussed in the following chapter.

CHAPTER IV

ANALYSIS OF DATA

AGE DISTRIBUTION

A tabulation of the 371 public ward patients according to age groups, as presented in Figure I, indicated that almost one-third (twenty-two percent) were between the ages of twenty-five and forty-four. Less than one quarter (twenty-three percent) were in the forty-five to sixty-five age group while only six percent were under the age of fourteen. Twenty-six percent of the patients were over the age of sixty-five which is a disproportionate figure in comparison with the aged (over sixty-five) population of Manitoba which was eight and one-half percent in 1951.[1]

DISTRIBUTION ACCORDING TO ECONOMIC STATUS

Division of the population into four groups showed that the low-income group constituted forty-four percent of the total; the aged and public assistance recipients comprised twenty-two percent each while eleven percent of the patients were unemployed.

---

1. H. G. Page, "Changing Patterns of the Canadian Population", Canadian Journal of Public Health, XLVI, (June, 1953). p. 191.

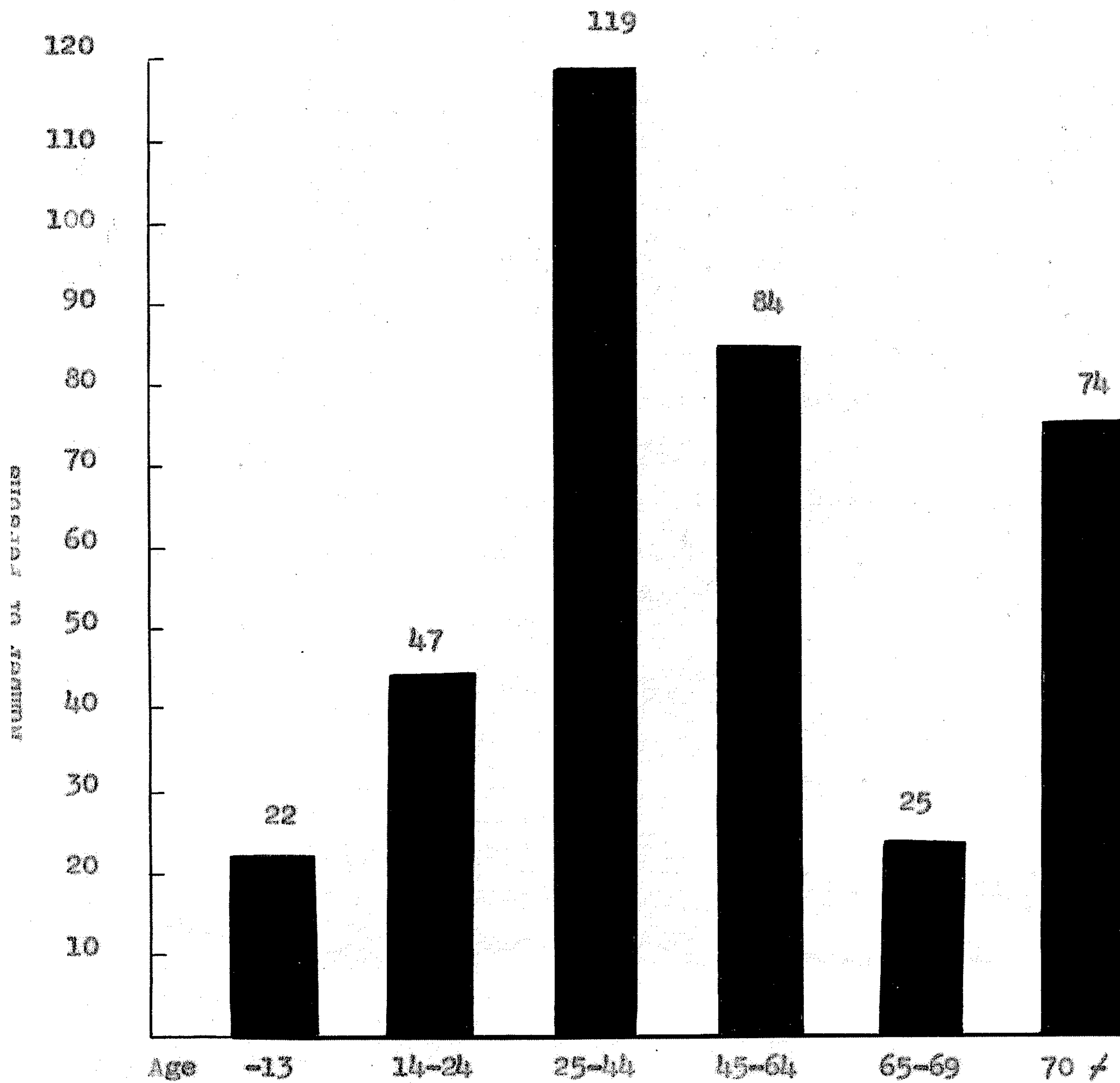


FIGURE I

AGE DISTRIBUTION OF PATIENTS

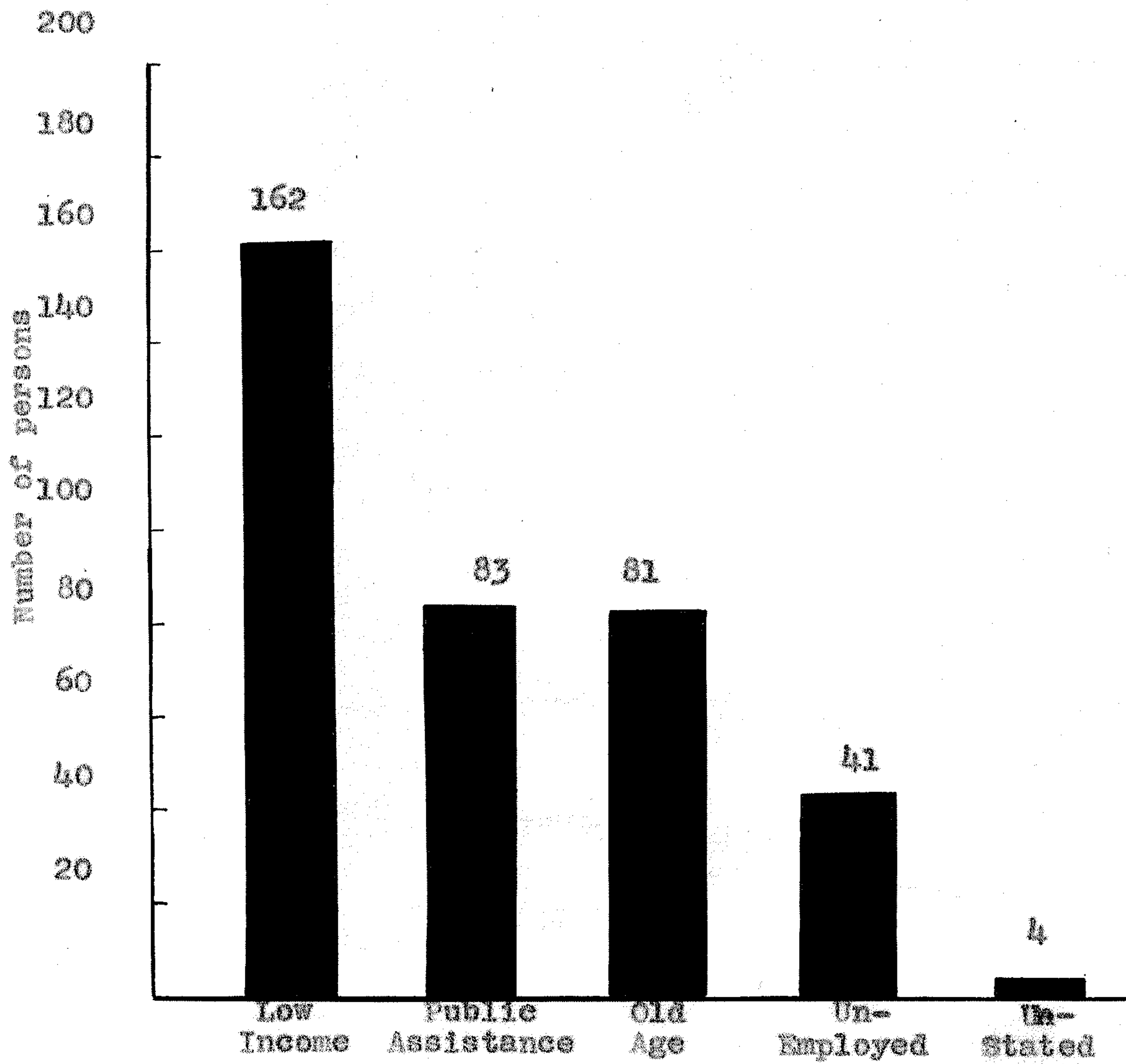


FIGURE II

DISTRIBUTION ACCORDING TO ECONOMIC STATUS

While almost one-half of the patients were working and normally self-supporting, it would appear that they found expensive medical care requirements too great a burden for a small budget.

As over one-third of the low-income group were partially employed, the number within this group would vary somewhat according to the time of year and the local economic situation. In such instances, a decrease in this group would cause a corresponding increase in the unemployed or public assistance groups.

High public ward utilization by the public assistance group might be expected because of the relationship between disability or illness and receipt of public assistance. This is particularly true since over twenty percent of this group were between the ages of sixty-five and sixty-nine.

THE AGED

An examination of the aged group revealed that seventy-six patients out of a total of eighty-one were essentially dependent upon Old Age Security and Public Assistance for subsistence. Seven of those who received supplementary Public Assistance were from nursing homes. (Figure III).

As a result, only ten patients indicated their intention to pay their hospital bill themselves. Refer to Table I.

Old Age Security and Earning 4

1 Earnings Only

Old Age Security and Public Assistance 18

Old Age Security 58

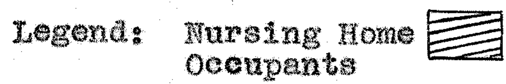


FIGURE III

PRIMARY SOURCES OF MONEY INCOME FOR AGED PERSONS

TABLE I

ANTICIPATED PAYMENT OF HOSPITAL BILL BY AGED PATIENTS, BY SOURCE OF INCOME

Source of Income	Plans for Payment		
	In Full	In Part	None
Old Age Security	7	5	46
Old Age Security and Public Assistance	1		17
Old Age Security and Earnings	2	1	1
Earnings			1
Totals	10	6	65

Table II shows that more than one-quarter of the aged group indicated that they had savings. Of this group, fourteen had savings up to $500. while four showed savings between $500. and $1000. One of the patients had stored grain but did not know the amount. Death insurance policies were held by two, and one did not indicate the amount of his savings.

TABLE II

ANTICIPATED PLANS FOR PAYMENT OF HOSPITAL BILL BY

AGED PATIENTS, BY SOURCE OF INCOME AND CASH SAVINGS

PLANS FOR PAYMENT		IN FULL			IN PART		NONE	
Income Source	Totals	Savings	Un-stated	No Savings	Savings	No Savings	Savings	No Savings
Old Age Security	58	4	1	2	2	3	10	36
Old Age Security and Public Assistance	18	1					1	16
Old Age Security and Earnings	4	2			1		1	
Earnings only	1					1		
Totals	81	7	1	2	3	4	12	52

PUBLIC ASSISTANCE GROUP

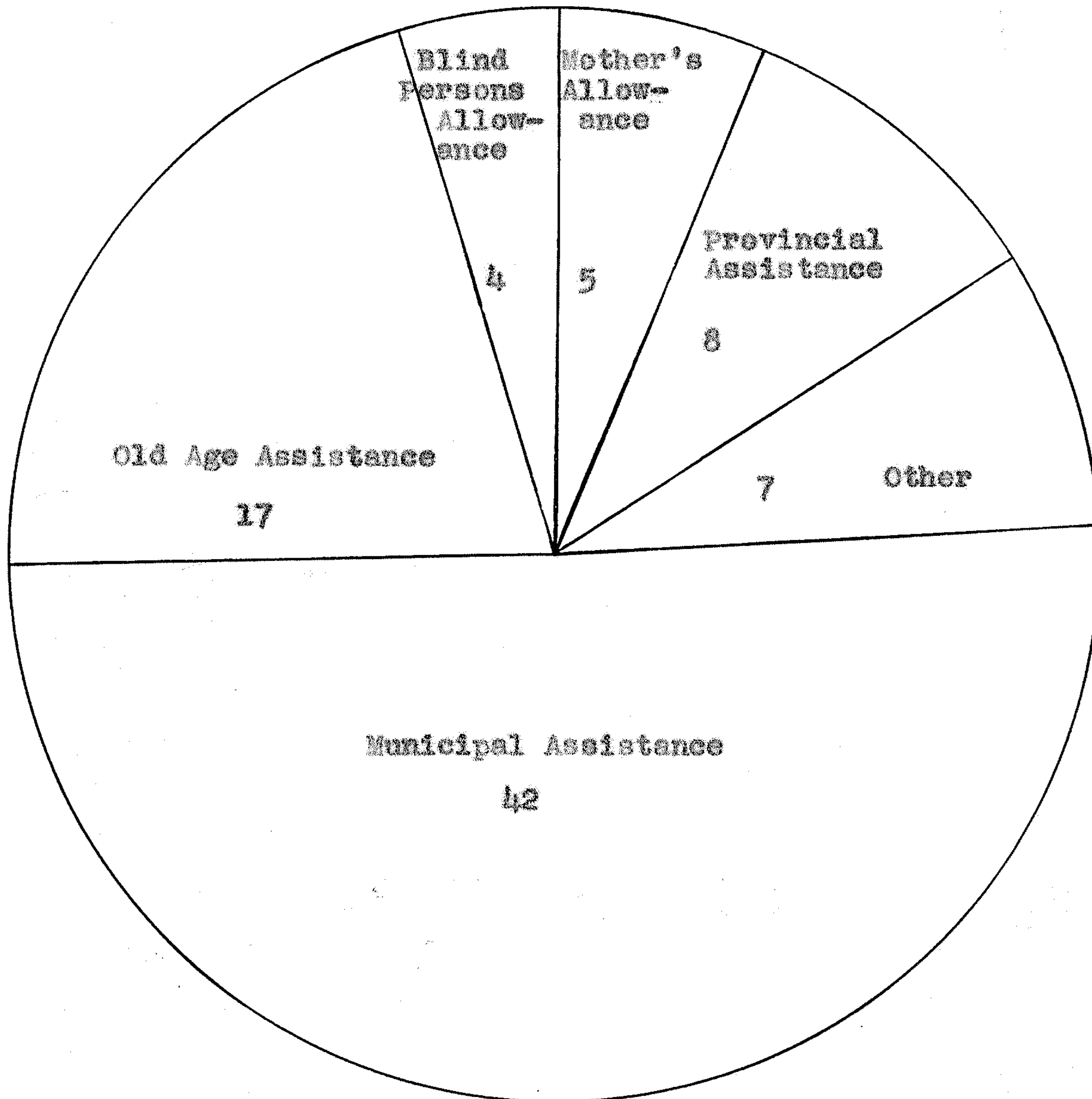
The public assistance recipients were subdivided into categories according to the type of public aid received.

Category of Aid		Number
Municipal Aid		42
Provincial Aid		8
Provincial Mothers Allowance		5
Federal Provincial		
	Old Age Assistance	17
	Blind Persons Allowance	4
	Disabled Persons Allowance	2
Other	Indian Ration	1
	Penitentiary	2
	Other (unknown)	2
		83

Distribution according to categories of aid is presented in Figure IV.

One-half of the patients in this group had no earnings for the twelve months prior to admissions to the hospital. The average earnings for the remainder of the group was less than $1000.00. No one in this group earned over $2999. Figure V shows the distribution of earned income.

As public assistance recipients were subject to a means test of income and assets before being accepted for maintenance at public expense, the responsible level of government assumed the costs of their hospital care. For this reason no further analysis of this group was made.



Other - Disabled Persons Allowance 2
Indian Ration 1
Penitentiary 2
Other 2

FIGURE IV

PRIMARY SOURCES OF MONEY INCOME OF PUBLIC ASSISTANCE RECIPIENTS

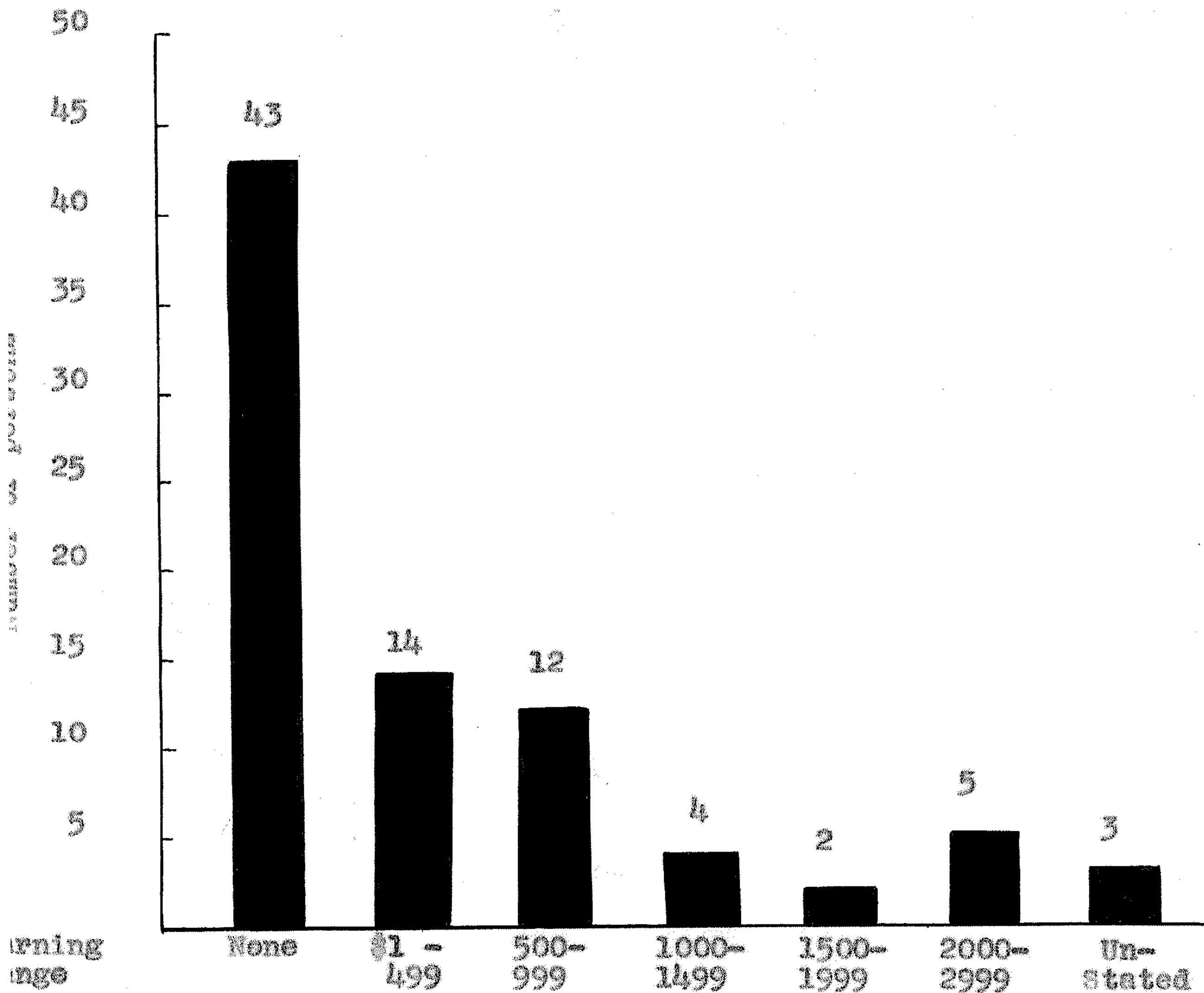


FIGURE V

EARNINGS OF PUBLIC ASSISTANCE RECIPIENTS

THE UNEMPLOYED

Of the forty-one patients who fell within the unemployed group, eleven were retired and indicated no earnings during the twelve months before admission to hospital.

The average earnings of those patients who reported earned income was less than $1500.

Sixteen reported no earnings, of whom eleven were retired. Of these eleven retired persons, a total of ten reported annuities or pensions while only four reported savings. These included one who had life insurance policy, one who reported cattle of unknown value, while those who reported cash savings had $25. and $7000. respectively. The single woman (age sixty-six) who reported high savings had had no earnings for a year. It would appear that she had been totally dependent on savings to meet her daily expenses, and as she would not be eligible for Old Age Assistance, it is possible that she would continue to rely on her savings.

Three retired persons anticipated payment in full and one expected to pay part of the hospital bill. An examination of their economic status indicated that none of these had savings.

Six of the thirty unemployed persons reported savings. One indicated that he had savings of $2000. while

the other five had $500. or less. All but one planned to pay the hospital bill in full.

TABLE III

ANTICIPATED PLANS FOR PAYMENT OF HOSPITAL BILL BY UNEMPLOYED PATIENTS, BY EARNINGS AND CASH SAVINGS

Total Earnings	Total	Plans for Payment					
		IN FULL		IN PART		NO PAYMENT	
		Savings	No Savings	Savings	No Savings	Savings	No Sav.
None	16	2	4		1	3	6
$1 - 499	3					1	2
500-999	7	1				1	5
1000-1499	6		1		2		3
1500-1999	2	1					1
2000-2999	3		1		1		1
3000-3999	2	1	1				
Unstated	2						2
Totals	41	5	7		4	5	20

Five of the thirty unemployed persons reported no earnings for the twelve months prior to admission. Of these, three expected to pay the hospital bill in full. Two of these reported cash savings and one had income from roomers and boarders as well. The third did not state source of income.

Two individuals reported income in excess of $3000. Because of the extreme variance from the average earnings for the unemployed group, these cases were examined in regard to pertinent factors in order to determine possible explanations for their admittance to the public ward.

	Expected Payment	Occupation	Dependents	Savings	Debts	Med. Bill	Hosp. Bill
Case "A"	Full	Skilled				$300.	$811.25
Case "B"	Full	Unskilled	4	yes		$115.	$92.65

It would appear that high medical costs determined the patients' assignment to public ward care in both instances. In Case B, the number of dependents and occupation may have been determining factors as well.

LOW INCOME GROUP

A total of 162 persons were employed at the time of admission to hospital. However, thirteen of these did not state their income and were excluded from the tabulations. Of the remaining 149, there were 109 fully employed while forty were employed on a part time basis.

An examination of the earnings of the fully employed group showed the following distribution:

Earnings	Number
No earnings reported	5
$1 - 499	12
500 - 999	13
1000 - 1499	17
1500 - 1999	13
2000 - 2999	36
3000 - 3999	10
4000 and over	3
	109

Twenty-five percent of those who were fully employed indicated that they had some cash savings. The proportion of those who reported savings rose as the income increased. (See Figure VI).

Savings as reported by the fully employed group are given below:

Savings	Number
Unstated	3
Grain of unknown value	2
$6 - 99	8
100 - 499	10
500 - 2000	3
	26

Within the partially employed group, almost three-quarters of the patients had earnings of less than $2000. Only one individual reported earnings over $3000. The total numbers falling within each income range were as follows:

Earnings	Number
No earnings reported	2
$1 - 499	7
500 - 999	10
1000- 1499	7
1500- 1999	5
2000-2999	8
3000- 3999	1
	40

Of the twenty-nine persons who had earnings less than $2000. six reported savings while one person in the $2000 - 2999. bracket indicated that he had savings. (See Figure VI).

The amount of savings as reported by the partially employed group were as follows;

Savings	Number
$25 - 49.	3
100 - 499	1
500 - 700	2
	6

Data concerned with plans for payment of hospital bills revealed that twenty persons in the fully employed group who reported savings planned to pay in full or in part. Five persons in the partially employed group who reported savings planned partial or full payment of their hospital bill. Within the entire low-income group, sixty-two persons planned to pay in full, twenty-nine in part. Table IV sets out the anticipated payments within each income bracket.

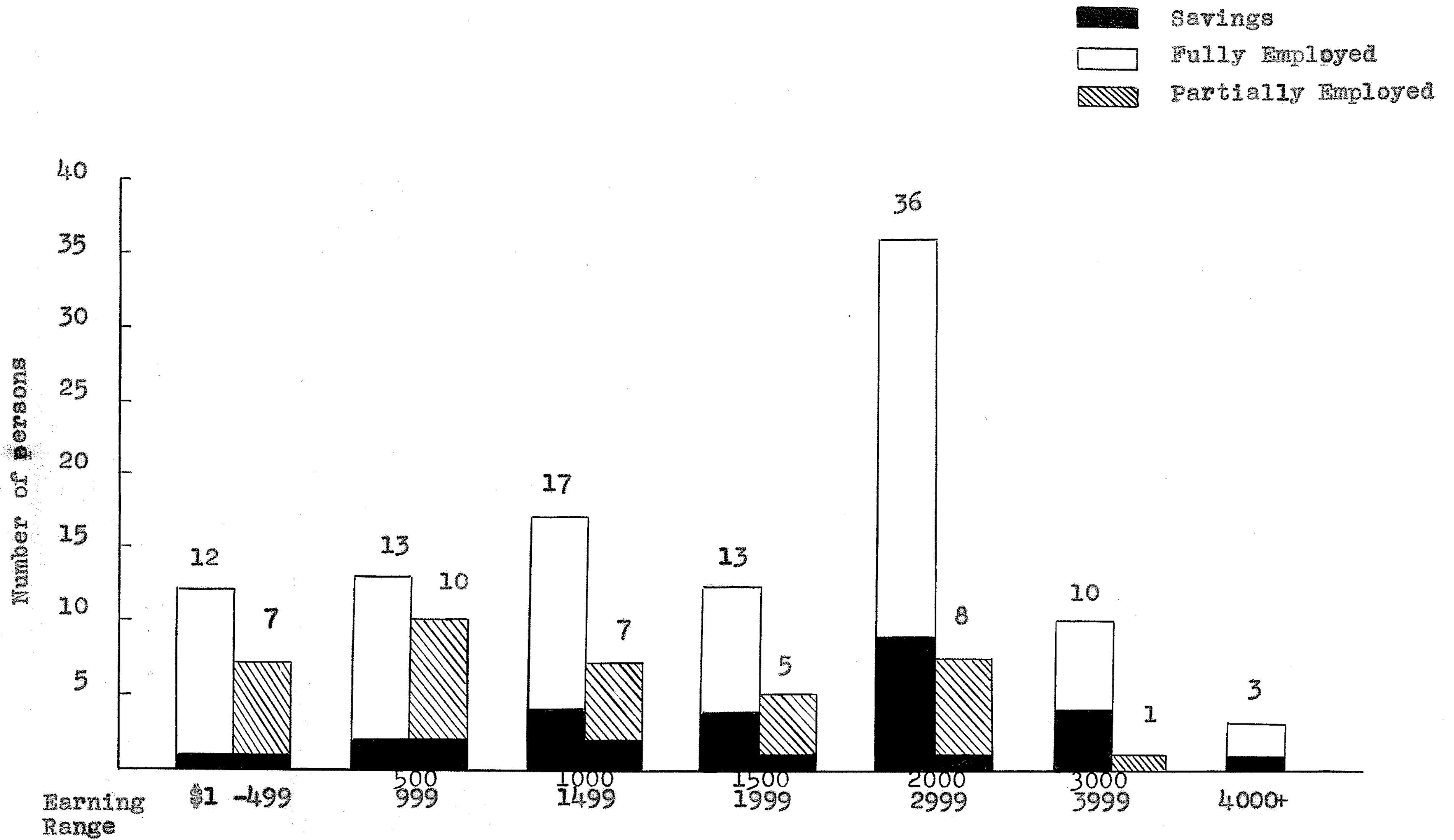


FIGURE VI

EARNINGS AND SAVINGS OF THE LOW-INCOME GROUP

TABLE IV

ANTICIPATED PLANS FOR PAYMENT OF HOSPITAL BILLS BY

THE LOW INCOME GROUP, BY EMPLOYMENT AND EARNINGS

Total Earnings	TOTALS	FULLY EMPLOYED				PARTIALLY EMPLOYED			
		Totals	Payment in Full	Part Payment	No Payment	Totals	Payment in Full	Part Payment	No Payment
No earnings reported	7	5	2	1	2	2			2
$1 - 499	19	12	2	5	5	7	1	1	5
500 - 999	23	13	4	2	7	10	3	1	6
1000 - 1499	24	17	10	1	6	7	1	2	4
1500 - 1999	18	13*	6	3	3	5	3		2
2000 - 2999	44	36	20	10	6	8	2	2	4
3000 - 3999	11	10	7	2	1	1	1		
4000 and over	3	3	2		1				
TOTALS	149	109	53	24	31	40	11	6	23

* One individual in this group did not state plans for payment.

Those segments of the employed group with earnings in excess of $3000. were examined more closely in regard to debts and dependents. Of the eleven individuals in the $3000 - 3999 bracket, the incidence of debt was high in comparison to savings. Nine individuals had debts while only four reported savings. Ten of them had two or more dependents. One individual who had no dependents carried insurance, reported neither debts nor savings and was fully employed.

For purposes of analysis those with earnings over $4000. were considered to be in the medium to high bracket. Three fell into this group. Pertinent factors in regard to these individuals were examined in an attempt to determine possible reasons for their admittance to the public ward.

	Expected Payment	Occupation	Dep.	Savings	Debts	Med Bill	Hosp. Bills
Case C	In Full	Semi-skilled	2	-	Yes	$35.	$ 43.30
Case D	In Full	Skilled	4	-	-	50.	146.85
Case E	-	Skilled	4	Yes	Yes	15.	145.25

It would appear that these individuals were admitted to the public ward because of family obligations and debts or lack of savings. Their eligibility as candidates for public ward care could be determined only through an examination of other socio-economic factors.

A summary of the findings of the study and conclusions follows in Chapter V.

CHAPTER V

SUMMARY AND CONCLUSIONS

This study was made in recognition of the need for more detailed knowledge of the nature of the public ward population in the Winnipeg General Hospital. It has dealt primarily with the patients' plans for payment of their hospital bills in relation to their income and savings. The patients were categorized according to four non-wage and low-income groups, and pertinent factors within each of these groups were examined.

The majority of patients were found to be in the low-income group (forty-five percent), while eleven percent were classified as unemployed. The aged and public assistance groups comprised almost one-half of the total (twenty-two per cent each) which is probably disproportionate to their numbers in the general population of the province of Manitoba.

Over a period of time some variation might be expected in the percentage distribution of these groups within the public wards. If the trend toward prepaid hospital insurance continues to increase, greater utilization of private and semi-private wards might result. The group which would be expected to purchase prepaid insurance to a greater extent would be the higher income bracket

within the low-income group. Changes in the local employment scene would cause a corresponding change in the numbers within the unemployed group and would affect the public assistance group to some degree. However, as a large percentage of the public assistance recipients showed no earnings during the twelve months prior to admission, this group might be expected to remain relatively constant. Greater utilization by the aged group can be expected as a result of the aging population.

Of the total public ward population, eighty-four patients (approximately one-quarter) planned to pay their bills in full, while thirty-nine (approximately one-eighth) expected to pay in part. The public assistance group was not included in the analysis of payment plans as hospital costs were paid by the responsible government.

An examination of anticipated plans for payment and financial factors of the four economic groups showed the following:

THE AGED

As over ninety per cent were totally dependent on Old Age Security solely, or Old Age Security supplemented by public assistance, only a small number expected to pay their hospital bills. Of the eighty-one patients in the aged group, twenty-two reported savings and ten of this number indicated an intention to pay in full or in part.

Because this group has limited earning power, we would expect that savings would be used to supplement income, or put aside for funeral expenses.

LOW-INCOME GROUP

Of the 149 patients in this group, seven indicated no income, which leaves a total of 142 used in the calculations. Within this group only thirty-two reported savings, while sixty-two persons indicated that they expected to pay in full and twenty-nine expected to pay in part. As only twenty-five of those who hoped to pay their hospital bills had savings, it appears that the majority would have only earnings to draw upon.

A comparison of the four groups in regard to savings and anticipated payment indicated that of the low-income group a greater proportion who had savings planned to pay their hospital bills. Analysis of payment plans within this group showed that, as income rose, there was a corresponding increase in the proportion who intended to pay in full.

Any money-income line within this group is arbitrary because of what may be a low income for one family may not be a low income for another. Nevertheless, since eighty-eight per cent of the wage earners in Manitoba[1] have an annual income of less than $3000, this figure was chosen

1. Dominion Bureau of Statistics, Department of Trade and Commerce, Labour Force, Vol. V of 9th Census of Canada, 1951, Ottawa: Government of Canada, Queen's Printer, 1953, Table XV.

as a money-income line. Of the patients with earnings between $3000 - 4000 all but one planned to pay in full or in part. Whether or not these individuals might be considered as part of the low-income group would depend upon such factors as home ownership, possession of other resources, number of dependents, variations in the cost of living, and other socio-economic factors which were not considered in this study.

UNEMPLOYED

The average earnings of this group for twelve months prior to admission was less than $1500. Almost one-half the total of thirty-nine reported savings of whom five expected to pay in full. Cash savings in most instances would be used to supplement the present source of income.

Knowledge of this group was limited because the cause and duration of unemployment were unknown, nor was there any indication of the length of time these individuals expected to remain independent of public assistance.

PUBLIC ASSISTANCE

More than half of this group were totally dependent on public assistance, the majority receiving municipal or provincial aid. Data regarding the reasons for payment of public assistance as well as the length of

time they had been in receipt of assistance would be helpful to an understanding of this group.

For further study the writer recommends a follow-up of those patients who anticipated payment in full or in part, with emphasis placed on those who did not pay. Such a study would indicate to what extent the hospital was able to collect from the responsible level of government as well as the number of patients who later repaid the amount of their hospital bill.

BIBLIOGRAPHY

A. Books:

1. Bachmeyer, Arthur C., Gerhard Hartman (ed). Hospital Trends and Developments, 1940-46 Cambridge, Massachusetts: Harvard University Press, 1948.

2. Becker, Harry (ed). Financing Hospital Care for Non-wage and Low Income Groups Vol. III of Financing Hospital Care in the United States 3 volumes. New York: McGraw Hill Book Company, Inc.,1955.

3. Becker, Harry (ed). Prepayment and the Community Vol. II of Financing Hospital Care in the United States. 3 Volumes. New York: McGraw Hill Book Company, Inc. 1955.

4. Commission on Hospital Care. Hospital Care in the United States. New York: Harper and Brothers, 1955.

5. Davis, Michael M. Medical Care for Tomorrow New York: Harper and Brothers, 1955.

6. Ferguson, T., and A. N. MacPhail. Hospital and Community. London: Oxford University Press, 1954.

7. Goldwater, S. S. On Hospitals New York: The Macmillan Company, 1947.

8. Hayes, John H. (ed). Factors Affecting the Costs of Hospital Care Vol. I of Financing Hospital Care in the United States. 3 Volumes. New York: The Blakiston Company, 1954.

9. Leyendecker, Hilary M. Problems and Policy in Public Assistance. New York: Harper and Brothers, 1955.

B. Reports:

10. Age and Opportunity, A Report on our Older Citizens by the Committee on Service for the Aged. Welfare Council of Greater Winnipeg, 1956.

11. A Survey of Public General Hospitals in Ontario Part I - A Summary. Ontario Department of Health, Division of Medical Statistics, 1940.

12. Department of National Health and Welfare, Research Division. Hospitals in Canada, General Series Memorandum Number Ten. Ottawa: Government of Canada, Queen's Printer, 1955.

13. Dominion B ureau of Statistics, Department of Trade and Commerce. Annual Report of Hospitals, Ottawa: Government of Canada, Queen's Printer, 1954.

14. Dominion Bureau of Statistics, Department of Trade and Commerce. Labour Force, Vol. V of 9th Census of Canada, 1951. Ottawa: Government of Canada, Queen's Printer, 1953.

15. Winnipeg General Hospital. Reports and Accounts. 1949, 1953, 1954, 1955.

C. Periodicals:

16. Faeder, C. F. "Institutional and Medical Care Aspects of an Aging Population." Canadian Journal of Public Health. XLIV, June, 1953, pp. 204-212.

17. Govan, E. S. L. "Indigent Medical Care: The Needs of the Recipient." Canadian Journal of Public Health. XLVI, February, 1955, pp. 80-86.

18. Page, H. G. "The Changing Pattern of The Canadian Population". Canadian Journal of Public Health XLIV, June, 1953, pp. 187-195.

19. Roemer, Milton I, Carman P. Faeder and Murray S. Acker. "Medical Care for the Indigent in Saskatchewan." Part I. Canadian Journal of Public Health. XLV, November, 1954, pp. 460-470.

20. ______________ "Medical Care for the Indigent in Saskatchewan."Part II. Canadian Journal of Public Health XLV, December, 1954, pp. 502-508.

21. Roth, F. B., M. S. Acker, M. I. Roemer and G. W. Myers. "Some Factors Influencing Hospital Utilization in Saskatchewan (Interim Report)." Canadian Journal of Public Health, XLVI, April, 1955. pp. 303-323.

APPENDIX A

STUDY OF PATIENTS IN THE PUBLIC WARDS OF THE WINNIPEG GENERAL HOSPITAL

November, 1956

Interviewer:

Surname ____________________

Sex ____________________

Lenth of Interview ____________________

Date ____________________

I. Identifying Information

1. Code Number ________ (of patient) 2. Sex ______ 3. S.M.W.D. Sep. __________

4. Address ______________________ (street or P.O. address) 5. ______________________ (municipality)

6. Age at last birthday ____________

7. Relationship to patient of person interviewed ______________________

8. Relationship to patient of person responsible ______________________

9. Address ______________________ (Street or P.O. address) 10. ______________________ (Municipality)

Note Sections II, IV, V, VI apply either to the patient or to the person responsible for his expenses, if this is someone other than the patient.

II. FAMILY

11. Number of dependent children ______________________________

12. Number of other dependants ______________________________

____
(give relationship)

For single person: 13. Living with relatives ____________________

14. Rooming __________ Boarding ________ in Institution __________

Other ____________________ Describe ______________

15. Has hospitalization necessitated any special arrangements at home?

Describe ____

____

____

____

III. Medical

16. Patient referred by ______________________________
(include name of physician or agency)

17. Why is patient using the Public Ward?

18. Has patient a family physician ________ 19. Has he ever had _____

20. Does patient or his family usually receive medical care from O.P.D. here? ______________________________

____

____

21. No. of times patient has been in hospital in last 5 years ____________

22. Year	23. Type of Illness	24. Approximate Stay in days	25. Type of Accom.	26. Name of Hospital

27. How many times have members of the patient's family been in hospital in the last 5 years:

28. Year	29. Type of Illness	30. Approximate Stay in days	31. Type of Accom.	32. Name of Hospital

(Answers to questions 33 to 39 not to be secured from the patient)

33. Diagnosis ____

____

____

34. Cost of Medical Treatment $ ____________________

35. Drugs $ ____________________

36. Other $ ____________________
(Specify)

37. Length of stay in hospital __________ days. 38. Cost $ ________

39. Prognosis: Complete recovery __________ handicapped ________

Illness likely to recur ____________________________

IV. Employment

40. Last occupation before entering hospital ________________________

____

41. Employed: full time ________ part time ________ casual ________

seasonal ____________ retired ____________ unemployed ________

42. Is he in receipt of public assistance ________________________
(name of program)

43. Can he return to the same job ________________________

44. Can he return to another job in the same firm ________________

45. Name of firm where he is employed ________________________
(please print)

46. About how many employees are there ________________________

47. Is there a union in the firm ________________________

48. Is there any kind of group insurance for hospital care __________

49. Is there any kind of group insurance for medical care __________

V. Financial Status

50. Does person responsible own his own home ____________________

51. business ________________ 52. farm ________________

53. What is the amount of the unpaid mortgage ____________________

54. What is the amount of the monthly mortgage payments __________

55. Amount of money owing for hospital ______________

medical ______________

furnishings ______________

groceries ______________

car ______________

Other (specify) ______________

____

____

56. Total Debts $ ______________

57. Have any of these debts been amalgamated through a finance company ______________________

58. Amount owing monthly to finance company ____________________

59. How much did he pay last month on these ____________________
(or last month before entering hospital)

60. Amount of savings _____________ 61. bonds ______________

62. Other assets (specify) ____________________________

63. Number of bushels and type of grain in storage ______________

____

64. Does he expect to be able to pay the hospital bill

in full ____________________ in part _________________________

65. Does he expect to get help in paying it from:

children _____________________ relatives ___________________

municipality _________________ Other _______________________
(specify)

____

VI. Earnings and Income

66. Amount of earnings in last 12 months $ ____________
    (including those of spouse)

67. Amount of last month's income from:

    earnings ____________

    old age security ____________

    annuity or pension ____________

    public assistance ____________

    rental of property ____________

    roomers and/or boarders ____________

    children or relatives ____________

    other sources ____________
    (describe)

    ____

    ____

68. Total Income $ ____________

VII. Insurance

69. Is there any kind of insurance which will help pay for hospital care ________________ 70. medical care ____________

Name of Insurance Company | No. of Policy

71. Individual ______________________ ____________

72. Group ______________________

If there is an insurance policy, record name and initials of holder ______________________________________

73. If patient is in hospital through a car accident, does he expect that his expenses will be paid through car owners policy ______________________________________

Name & initials of policyholder ______________________

Name of Insurance Company ______________________

No. of Policy ______________________________

VIII. Health Organizations

74. Do you expect to get help from any of the following organizations:

S.C.A.A. ________ Red Cross ________ Cancer R.R.I. ______

C.A.R.S. ________ M.S. Society __________

If any of the above organizations are helping, record patients name and initials

____

75. or from:

government insitution ______________________________
(specify)

municipality ______________________________

IX. General

76. Note any special circumstances which would affect the person's ability to pay his hospital bill:

77. Note any circumstances which you believe may have affected the interview.