

Private Health Insurance in 1969: A Review

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AN ESTIMATED 157 million persons in the United States or a little more than three-fourths of the civilian population had some protection in 1969 against the costs of hospital care and surgical care through private health insurance organizations. For two-thirds of the civilian population, private health insurance met at least part of the cost of physicians' in-hospital visits.

Out-of-hospital services were provided through private health insurance to smaller numbers: 125 million or 62 percent of the civilian population were covered for X-ray and laboratory services, 43 percent for physicians' office and home visits, 45 percent for prescription drugs, and 4 percent for dental care. Private health insurance helped meet the cost of private-duty nursing care for 45 percent of the population, 50 percent were covered at least in part for visiting-nurse service, and 14 percent had coverage for nursing-home care. Insurance coverage for physicians' office and home visits, dental care, and drugs is frequently subject to deductible and coinsurance payments. Consequently, the full cost of these health care services is almost never met through insurance.

Most persons aged 65 and over have health insurance coverage through the Federal Government's program of health insurance for the aged—Medicare. Complementary coverage for health expense not covered in full or at all by Medicare was held by almost 10 million or half of all aged persons for hospital care and by nearly 9.5 million for surgical services.

This article is mainly concerned with the number and percentage of the population under age 65 who have prepayment or insurance coverage of health costs through private health insurance organizations—Blue Cross-Blue Shield, insurance companies, community and employer-employee-union group-practice and individual plans, private group medical clinics, and dental service corporations.

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Office of Research and Statistics (ORS) estimates of the net number and proportion of the population having health insurance coverage for hospital care, surgical services, and other health care services are somewhat lower than those estimated by the Health Insurance Association of America (HIAA), an association of insurance companies. Both estimates, however, show a continued growth during 1969 in the number and percentage of the population covered.

Consumer expenditures for private health insurance in 1969 totaled \$14.7 billion in premiums and subscription charges, about 14 percent more than in 1968. Benefit expenditures by private health insurance organizations reached \$13.1 billion, close to 16 percent higher than in 1968. The organizations paid out 89 percent of premium income in benefits, 15 percent went for operating expense, and there was a net underwriting loss of 4 percent of premiums.

POPULATION COVERAGE

Estimates of the net number (of different persons) and the percentage of the population with some health insurance coverage of the various main types of health care are summarized in table 1. The Office of Research and Statistics had based its 1968 estimates of net enrollment for hospital and surgical coverage on household-interview surveys conducted by the National Center for Health Statistics (NCHS) of the Public Health Service in 1967 and 1968. In 1969 these household-interview surveys were not made, and the estimates for that year are based on projections of the 1968 figures, derived from percentage changes from 1968 to 1969 shown in HIAA estimates of net coverage reported.

The estimates for other health care services are based on the gross total of enrollments reported by health insurance organizations, with estimated deductions for multiple or duplicatory coverages. These deductions are believed to be reasonable in the light of the extent of multiple

TABLE 1.—Estimates of the net number of different persons under private health insurance plans and percent of population covered, by age and specified type of care, as of December 31, 1969

Type of service	All ages		Under age 65		Aged 65 and over	
	Number (in thousands)	Percent of civilian population	Number (in thousands)	Percent of civilian population	Number (in thousands)	Percent of civilian population
Hospital care.....	157,305	78.3	147,408	81.3	9,897	50.4
Physicians' services:						
Surgical services.....	152,314	75.8	142,902	78.8	9,412	47.9
In-hospital visits.....	133,914	66.6	126,190	69.6	7,724	39.3
X-ray and laboratory examinations.....	125,002	62.2	117,472	64.8	7,530	38.3
Office and home visits.....	86,317	43.0	77,916	43.0	8,401	42.8
Dental care.....	8,510	4.2	8,385	4.6	125	.6
Prescribed drugs (out-of-hospital).....	89,805	44.7	86,880	47.9	2,925	14.9
Private-duty nursing.....	91,211	45.4	88,024	48.5	3,187	16.2
Visiting-nurse service.....	100,343	49.9	96,885	53.4	3,458	17.6
Nursing-home care.....	28,044	14.0	23,962	13.2	4,082	20.8
HIAA estimates:						
Hospital care.....	175,221	87.2	164,383	90.7	10,838	55.2
Surgical services.....	162,144	80.7	153,304	84.6	8,840	45.0

covers for hospital care and surgical services.

It should be noted that—although sizable proportions of the population are covered for physicians' office and home visits, prescribed drugs, private-duty nursing, and nursing-home care—actual protection for these services, as measured by the proportion of consumer expenditures for health services met by private insurance, varies

widely from substantial to very little. In fact, private health insurance meets only 5 percent of consumer expenditures for all health services other than those for hospital care and physicians' services. The bulk of such coverage is under supplementary major medical and comprehensive insurance policies. Significant gains were noted, however, in the scope of coverage under group-practice plans—for both community and employer-employee-union organizations.

Tables 2-4 show the number of persons enrolled by the different types of health insurance organizations for each of 10 services, together with estimates of the net numbers of different persons with some coverage of each of these services.

The gross enrollment total, for persons of all ages for hospital care, reported by or estimated for all organizations, was 202.4 million (table 2). According to projections of the 1968 household-interview figures, 157.3 million different persons were covered for hospital care in 1969. The gross enrollment equaled 129 percent of the net number of different persons covered—an indication that 45 million, or approximately 22 percent of the 202.4 million gross enrollment, represented multiple or duplicatory coverage.

Multiple coverage occurs chiefly in three ways: when husband and wife are both employed and

TABLE 2.—Enrollment under private health insurance plans for persons of all ages and estimates of the net number of different persons covered, by type of plan and specified type of care, as of December 31, 1969

[In thousands]

Type of plan	Hospital care	Physicians' services				Dental care	Prescribed drugs (out-of-hospital)	Private-duty nursing	Visiting-nurse service	Nursing-home care
		Surgical services	In-hospital visits	X-ray and laboratory examinations	Office and home visits					
Total gross enrollment.....	202,403	187,005	149,311	133,330	90,297	8,510	94,178	95,644	105,222	28,564
Blue Cross-Blue Shield.....	73,211	66,595	61,879	36,779	17,111	141	18,563	19,614	28,392	19,053
Blue Cross.....	70,620	3,629	3,448	1,769	1,058					
Blue Shield.....	2,591	62,966	58,431	35,010	16,023					
Insurance companies.....	121,582	110,460	78,282	86,671	64,636	4,811	71,395	70,320	70,320	7,461
Group policies.....	80,093	81,363	65,450	79,326	57,127	4,753	65,426	64,291	64,291	3,749
Individual policies.....	41,489	29,097	12,792	7,345	7,509	58	5,969	6,029	6,029	3,712
Other plans.....	7,630	9,500	9,150	9,850	8,550	3,558	4,220	5,710	6,510	2,050
Community.....	2,600	4,500	4,500	4,400	4,400	400	1,700	3,400	4,100	250
Employer-employee-union.....	5,000	5,300	4,500	5,300	4,000	1,400	2,500	2,300	2,400	1,800
Private group clinic.....	30	150	150	150	150	45	20	10	10	
Dental service corporation.....						1,713				
Net number of different persons covered, as estimated by—										
Office of Research and Statistics.....	157,305	152,314	133,914	125,002	86,317	8,510	89,805	91,211	100,343	28,044
Percent of civilian population ¹	78.3	75.8	66.6	62.2	43.0	4.2	44.7	45.4	49.9	14.0
HIAA.....	175,221	162,144	134,930							
Percent of civilian population ¹	87.2	80.7	67.1							
Gross enrollment as percent of net number of different persons covered, as estimated by—										
Office of Research and Statistics.....	128.7	122.8	111.5	106.7	104.6	100.0	104.9	104.9	104.9	101.9
HIAA.....	115.5	115.3	110.7							

¹ Based on Bureau of the Census estimate of 200,965,000 as of Jan. 1, 1970.

both cover self, spouse, and dependents under the insurance plan at the work place; when a person with group coverage under a health insurance plan purchases an individual insurance policy to supplement his group coverage; when a person not eligible for group coverage holds two or more insurance company individual policies (sometimes a second policy taken to supplement one that provides only meager benefits). A considerable share of the individual policies of insurance companies supplement other coverage, it is believed.

Blue Cross plans had 64.9 million persons under age 65 enrolled for hospital care at the end of 1969 (table 3). Blue Shield plans not cooperating or affiliated with Blue Cross plans reported an enrollment of 2.3 million for that type of care. Insurance companies accounted for 78.2 million persons covered for hospital care under group policies and for 37.6 million policy owners and dependents under individual policies. (The number of policy holder enrollments is greater than the net number of different persons with coverage because of multiple coverage.) Private health insurance organizations other than Blue Cross-Blue Shield plans or insurance companies covered an estimated 7.2 million persons for hospital care.

Sources of the Data

Blue Cross and Blue Shield data are supplied by the Blue Cross Association and the National Association of Blue Shield Plans from data reported by the individual plans. The data for insurance companies were compiled by the Health Insurance Association of America from its annual survey of the number of persons covered by insurance companies under group and individual policies. The data for private insurance plans other than those of the Blue Cross and Blue Shield associations and those of insurance companies are Office of Research and Statistics estimates based on its annual survey of these plans. A full survey of all known plans of this type was made in 1969 to obtain 1968 data.¹ Estimates for the year 1969 have been made on the basis of changes from 1968 to 1969 in a small number of the larger plans.

The net number of persons under age 65 with hospital coverage at the end of 1969 is estimated as 147 million or 81 percent of the civilian population. The estimate is a projection of the 1968

¹ See Louis S. Reed, *Health Insurance Plans Other Than Blue Cross or Blue Shield Plans or Insurance Companies, 1969 Survey* (Research Report No. 35), Social Security Administration, Office of Research and Statistics, 1970.

TABLE 3.—Enrollment under private health insurance plans for persons under age 65 and estimates of the net number of different persons covered, by type of plan and specified type of care, as of December 31, 1969

Type of plan	Hospital care	Physicians' services				Dental care	Prescribed drugs (out-of-hospital)	Private-duty nursing	Visiting-nurse service	Nursing-home care
		Surgical services	In-hospital visits	X-ray and laboratory examinations	Office and home visits					
Total gross enrollment.....	190,251	176,716	140,804	125,695	81,812	8,385	91,224	92,425	101,729	24,441
Blue Cross-Blue Shield.....	67,251	60,499	56,414	32,885	12,687	141	17,600	18,415	26,969	15,235
Blue Cross.....	64,908	3,412	3,242	1,560	1,005					
Blue Shield.....	2,343	57,087	53,172	31,325	11,682					
Insurance companies.....	115,815	106,767	75,750	83,480	60,977	4,735	69,665	68,600	68,600	7,361
Group policies.....	78,194	79,571	63,864	76,386	53,893	4,677	63,836	62,721	62,721	3,649
Individual policies.....	37,621	27,196	11,886	7,094	7,084	58	5,829	5,879	5,879	3,712
Other plans.....	7,185	9,450	8,640	9,330	8,148	3,509	3,959	5,410	6,160	1,845
Community.....	2,470	4,310	4,310	4,210	4,210	397	1,620	3,280	3,910	185
Employer-employee-union.....	4,690	5,000	4,190	4,980	3,798	1,390	2,320	2,120	2,240	1,660
Private group clinic.....	25	140	140	140	140	43	19	10	10	
Dental service corporation.....						1,679				
Net number of different persons covered, as estimated by—										
Office of Research and Statistics.....	147,408	142,902	126,190	117,472	77,916	8,385	86,880	88,024	96,885	23,962
Percent of civilian population ¹	81.3	78.8	69.6	64.8	43.0	4.6	47.9	48.5	53.4	13.2
HIAA.....	164,383	153,304	127,227							
Percent of civilian population ¹	90.7	84.6	70.2							
Gross enrollment as percent of net number of different persons covered, as estimated by—										
Office of Research and Statistics.....	129.1	123.6	111.6	107.0	105.0	100.0	105.0	105.0	105.0	102.0
HIAA.....	115.9	115.3	110.7							

¹ Based on the Bureau of the Census estimate of 181,317,000 as of Jan. 1, 1970.

TABLE 4.—Enrollment under private health insurance plans for persons aged 65 and over and estimates of the net number of different persons covered, by type of plan and specified type of care, December 31, 1969

[In thousands]

Type of plan	Hospital care	Physicians' services				Dental care	Prescribed drugs (out-of-hospital)	Private-duty nursing	Visiting-nurse service	Nursing-home care
		Surgical services	In-hospital visits	X-ray and laboratory examinations	Office and home visits					
Total gross enrollment.....	12,152	10,289	8,507	7,605	8,485	125	2,954	3,219	3,493	4,123
Blue Cross-Blue Shield.....	5,960	6,096	5,465	3,894	4,424		963	1,199	1,423	3,818
Blue Cross.....	5,712	217	206	209	88					
Blue Shield.....	248	5,879	5,259	3,685	4,341					
Insurance companies.....	5,747	3,693	2,532	3,191	3,659	76	1,730	1,720	1,720	100
Group policies.....	1,899	1,792	1,626	2,940	3,234	76	1,590	1,570	1,570	100
Individual policies.....	3,848	1,901	906	251	425		140	150	150	
Other plans.....	445	500	510	520	402	49	261	300	350	205
Community.....	130	190	190	190	190	3	80	120	190	65
Employer-employee-union.....	310	300	310	320	202	10	180	180	160	140
Private group clinic.....	5	10	10	10	10	2	1			
Dental service corporation.....						34				
Net number of different persons covered, as estimated by—										
Office of Research and Statistics.....	9,897	9,412	7,724	7,530	8,401	125	2,925	3,187	3,458	4,082
Percent of civilian population ¹	50.4	47.9	39.3	38.3	42.8	.6	14.9	16.2	17.6	20.8
HIAA.....	10,838	8,840	7,703							
Percent of civilian population ¹	55.2	45.0	39.2							
Gross enrollment as percent of net number of different persons covered, as estimated by—										
Office of Research and Statistics.....	122.8	109.3	110.1	101.0	101.0	100.0	101.0	101.0	101.0	101.0
HIAA.....	112.1	116.4	110.4							

¹ Based on Bureau of the Census estimate of 19,648,000 as of Jan. 1, 1970.

household-interview survey figure by the NCHS.² In projecting the 1969 estimates, the 1968 NCHS figures for hospital and for surgical coverage were increased by the percentage changes re-

ported by HIAA in its estimates of net coverage—3 percent and 4 percent, respectively. The 1969 estimates for the net number of persons over age 65 were arrived at in a similar manner: the relative increase shown by HIAA was 7 percent for hospital services, and it was 4 percent for surgical benefits.

Estimates of the net number of persons with coverage of other services have been made by

² "Hospital and Surgical Insurance Coverage Among Persons Under 65 Years of Age in the United States, 1968," *Monthly Vital Statistics Report*, National Center for Health Statistics, Public Health Service, Feb. 2, 1970.

TABLE 5.—Percentage distribution of total gross enrollment under private health insurance plans, by age, type of plan, and specified type of care, December 31, 1969

Age group and type of plan	Hospital care	Physicians' services				Dental care	Prescribed drugs (out-of-hospital)	Private-duty nursing	Visiting-nurse service	Nursing-home care
		Surgical services	In-hospital visits	X-ray and laboratory examinations	Office and home visits					
Total, all ages.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Blue Cross-Blue Shield.....	36.2	35.6	41.4	27.6	18.9	1.7	19.7	20.5	27.0	66.7
Insurance companies.....	60.1	59.1	52.4	65.0	71.6	56.5	75.8	73.5	66.8	26.1
Group policies.....	39.6	43.5	43.9	59.5	63.3	55.9	69.5	67.2	61.1	13.0
Individual policies.....	20.5	15.6	8.6	5.5	8.3	.7	6.3	6.3	5.7	13.0
Other plans.....	3.8	5.3	6.1	7.4	9.5	41.8	4.5	6.0	6.2	7.2
Under age 65, total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Blue Cross-Blue Shield.....	35.3	34.2	40.1	26.2	15.5	1.7	19.3	19.9	26.5	62.3
Insurance companies.....	60.9	60.4	53.8	66.4	74.5	56.5	76.4	74.2	67.4	30.1
Group policies.....	41.1	45.0	45.4	60.8	65.9	55.8	70.0	67.9	61.7	14.9
Individual policies.....	19.8	15.4	8.4	5.6	8.7	.7	6.4	6.4	5.8	15.2
Other plans.....	3.8	5.3	6.1	7.4	10.0	41.8	4.3	5.9	6.1	7.5
Aged 65 and over, total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Blue Cross-Blue Shield.....	49.0	59.2	64.2	51.2	52.1		32.6	37.2	40.7	92.6
Insurance companies.....	47.3	35.9	29.8	47.0	43.1	60.8	58.6	53.4	49.2	2.4
Group policies.....	15.6	17.4	19.1	38.7	38.1	60.8	53.8	48.8	44.9	2.4
Individual policies.....	31.7	18.5	10.7	3.3	5.0		4.7	4.7	4.3	
Other plans.....	3.7	4.9	6.0	6.8	4.7	39.2	8.8	9.3	10.0	5.0

assuming the ratios of gross enrollment to the number covered. For those under age 65, these ratios were 112 percent for in-hospital visits of physicians; 107 percent for X-ray and laboratory examinations; 105 percent for physicians' office and home visits, drugs, private-duty nursing, and visiting-nurse service; and 102 percent for nursing-home care (it is assumed that there is as yet no duplicatory coverage of dental care). The ratios are believed to be reasonable since the extent of multiple coverage is presumably much greater for hospital care and surgical services than it is for other items of health care.

For persons aged 65 and over who are covered for services other than hospital care and surgery, the estimates of the net numbers are derived in a similar manner but with the assumption of a lower rate of multiple coverage: 110 percent for physicians' in-hospital visits and 101 percent for X-ray and laboratory services, physicians' office and home visits, private-duty nursing, visiting-nurse service, nursing-home care, and drugs. For persons of all ages, the estimates are obtained by adding the estimates for persons under age 65 and for persons aged 65 and over.

Insurance company estimates are reported as in past years. The HIAA provides estimates of

net coverage of persons under and persons over age 65, for hospital, surgical, and nonsurgical medical expense coverage—basic coverage of physicians' visits in the hospital, physicians' visits in the office, home, and hospital, and out-of-hospital X-ray and/or laboratory examinations. The nonsurgical medical expense estimate is used for in-hospital medical visits.

The percentage distribution of gross total enrollment among the carriers in 1969 is shown in table 5. For persons of all ages, Blue Cross-Blue Shield plans have 36 percent of total enrollment for hospital care and insurance companies have 60 percent. For plans other than Blue Cross-Blue Shield and insurance company plans, the share of gross enrollment is 4 percent. Enrollment under group insurance policies was almost twice as large as that under individual policies.

The relationship runs about the same for surgical services, with group insurance policies almost three times individual policies. For X-ray and laboratory examinations, insurance companies had 65 percent of the enrollment, with group policies almost 12 times as frequent as individual policies. Blue Cross-Blue Shield plans held 28 percent of the enrollment, and other plans had 7 percent.

TABLE 6.—Hospital benefits: Gross enrollment under private health insurance plans for persons of all ages and estimates of the net number of different persons covered, by type of plan, 1940-69

(In thousands)

End of year	Gross enrollments												Net number of different persons covered, estimated by—				Gross enrollment as percent of net, estimated by—	
	Total	Blue Cross-Blue Shield			Insurance companies			Other plans					Household surveys ¹		HIAA		Household surveys	HIAA
		Total	Blue Cross	Blue Shield	Total	Group policies	Individual policies	Total	Com-mu-nity	Em-ploy-er-em-plee-union	Medi-cal society	Pri-vate group clinic	Number	Per-cent of ci-vilian popu-lation	Num-ber ²	Per-cent of ci-vilian popu-lation		
1940	12,022	6,072	6,012	60	3,700	2,500	1,200	2,250	140	1,560	110	440			12,312	9.3		97.6
1945	32,135	18,961	18,881	80	10,504	7,804	2,700	2,670	420	1,660	200	390			32,068	24.0		100.2
1950	81,691	37,645	37,435	210	39,601	22,305	17,296	4,445	1,445	2,280	500	220			76,639	50.7		106.6
1955	118,629	48,924	47,710	1,205	63,100	39,029	24,131	6,545	2,920	3,220	360	43			105,452	64.1		112.5
1960	148,863	57,464	55,938	1,526	85,405	55,218	30,187	5,994	1,604	4,000	340	50			130,007	72.3		114.5
1961	153,026	57,960	56,489	1,471	87,964	57,013	30,951	7,102	1,851	4,850	344	57			134,417	73.7		113.8
1962	158,629	59,618	58,133	1,485	92,074	59,153	32,921	6,937	1,830	4,703	344	60	129,800	70.0	138,890	74.9	122.2	114.2
1963	165,142	60,698	59,141	1,557	97,279	62,817	34,462	7,165	1,947	4,814	344	60	126,057	67.0	144,575	76.8	131.0	114.4
1964	169,632	62,429	60,478	1,951	100,363	64,506	35,857	6,840	1,859	4,785	344	188			148,338	77.8		114.4
1965	175,122	63,662	61,651	2,012	104,476	67,104	37,372	6,984	1,954	4,971	344	51			153,133	79.4		114.4
1966	180,482	65,638	63,408	2,230	108,211	69,570	38,641	6,633	1,964	4,618	344	51			158,022	81.1		114.2
1967	185,822	67,513	65,188	2,325	111,259	73,351	37,908	7,050	2,300	4,700	344	50	146,131	74.3	162,853	82.8	127.2	114.1
1968	193,555	70,510	67,958	2,552	115,768	76,009	39,709	7,277	2,507	4,749	344	20	152,117	76.5	169,497	85.3	127.2	114.2
1969	202,403	73,211	70,620	2,591	121,562	80,093	41,469	7,630	2,600	5,000	344	30	* 157,305	78.3	175,221	87.2	128.7	115.5

¹ Number estimated by applying percentages to total civilian population. Percentages projected to end of year and rounded, except for 1967, 1968, and 1969 data.

² Estimate exceeds gross enrollment for early years because HIAA data include estimated enrollment of college and university health services.

³ Estimated by applying HIAA percentage increase in net enrollment from 1968 to 1969 to the NCHS figure for 1968.

Blue Cross-Blue Shield plans held only a small share of the other services, except for nursing-home care, where they accounted for 67 percent of the enrollment. The share of coverage held by insurance companies was 57 percent for dental care, 72 percent for physicians' office and home visits, 76 percent for prescription out-of-hospital drugs, 74 percent for private-duty nursing, and 67 percent for visiting-nurse service. Group insurance policies outnumbered individual policies about 11 to 1, except for dental care (almost exclusively group business) and physicians' office and home visits, with a ratio about 8 to 1. Plans other than Blue Cross-Blue Shield and insurance company plans had their greatest strength in dental care—42 percent of enrollment. They had less than 10 percent of the enrollment for all other services.

The distribution pattern was somewhat the same for persons under age 65 as for those of all ages. Among those aged 65 and over, however, there is a distinct shift: Blue Cross-Blue Shield plans accounted for a much larger share of enrollment for all types of services.

Historical Data

The data in tables 6 and 7 give the gross en-

rollment of health insurance organizations and estimates of the net number of persons with some coverage of hospital care and surgical services during 1940-69. The gross enrollments are the total of enrollments for all carriers, with no deduction for duplication among insurance companies. The data on the net number of persons covered are those reported by various household surveys from time to time during the period. The 1969 data are projections of the 1968 NCHS figures, as noted earlier.

Blue Cross-Blue Shield enrollment for hospital and surgical care continues to grow at about the same rate as in recent years. Insurance company enrollments show a gradually increasing growth rate, most of it in group business, although individual policies showed some increase in enrollment in 1969 after spotty or no growth during the preceding years. Among plans other than Blue Cross-Blue Shield and insurance company plans, the overall growth rate has been fairly constant. Employer-employee-union plans had the greatest increase, reflecting the impact of collective bargaining.

Although enrollment increased generally in community plans, the rate of growth slowed sharply in 1969, largely as a result of declines in enrollment in two major plans—the Community Health Association of Detroit and the

TABLE 7.—Surgical benefits: Gross enrollment under private health insurance plans for persons of all ages and estimates of the net number of different persons covered, by type of plan, 1940-69

[In thousands]

End of year	Gross enrollments												Net number of different persons covered, estimated by—				Gross enrollment as percent of net, estimated by—	
	Total	Blue Cross-Blue Shield			Insurance companies			Other plans					Household surveys ¹		HIAA		Household surveys	HIAA
		Total	Blue Cross	Blue Shield	Total	Group policies	Individual policies	Total	Community	Employer-employee-union	Medical society	Private group clinic	Number	Percent of civilian population	Number ²	Percent of civilian population		
1940.....	4,790	260	.....	260	2,280	1,430	850	2,250	200	1,480	110	460	.....	.....	5,350	4.1	.....	89.5
1945.....	12,092	2,335	127	2,208	7,337	5,537	1,800	2,420	350	1,460	200	410	.....	.....	12,890	9.6	.....	93.8
1950.....	55,950	17,253	1,151	16,102	34,937	21,219	13,718	3,760	940	1,950	600	270	.....	.....	54,156	35.8	.....	100.3
1955.....	101,819	37,395	3,194	34,201	58,494	39,725	18,769	5,930	2,130	3,200	430	170	.....	.....	88,856	54.0	.....	114.6
1960.....	134,118	48,266	3,773	44,493	78,516	55,504	23,012	7,336	2,760	4,020	346	210	.....	.....	117,304	65.2	.....	114.3
1961.....	140,103	49,374	3,048	46,326	82,235	57,373	24,862	8,494	3,026	4,891	346	231	116,788	64.0	122,951	67.4	120.0	114.0
1962.....	144,441	50,876	2,814	48,062	85,278	59,787	25,491	8,287	3,003	4,695	346	243	120,528	65.0	126,400	68.4	119.8	113.8
1963.....	151,240	52,371	2,740	49,631	90,261	63,288	28,973	8,008	3,206	4,806	346	250	.....	.....	131,954	70.1	.....	114.6
1964.....	155,215	54,473	3,222	51,251	92,445	64,939	27,506	8,297	3,111	4,968	10	208	.....	.....	135,433	71.0	.....	114.6
1965.....	161,810	56,330	3,660	52,669	96,796	67,557	29,239	8,684	3,400	5,068	10	206	.....	.....	140,462	72.8	.....	115.2
1966.....	165,810	57,916	3,417	54,499	99,569	70,268	29,301	8,325	3,526	4,601	.....	198	.....	.....	144,715	74.3	.....	114.6
1967.....	172,050	60,433	3,410	57,023	103,037	74,318	28,719	8,580	3,900	4,500	.....	180	142,437	72.4	150,396	76.4	120.8	114.4
1968.....	177,647	63,279	3,464	59,815	105,616	77,415	28,201	8,752	4,132	4,476	.....	143	146,295	73.6	155,725	78.3	121.4	114.1
1969.....	187,005	66,595	3,629	62,966	110,460	81,363	29,097	9,950	4,500	5,300	.....	150	152,314	75.0	162,144	80.7	122.8	115.3

¹ See footnote 1, table 6.

² See footnote 2, table 6.

³ See footnote 3, table 6.

Inter-County Hospital Plan, Inc., of Johnstown, Pennsylvania. The former—a community group-practice plan—lost almost 3,000 enrollees, most of them United Auto Workers (UAW) members who moved away from the center city in which the plan facilities are located and substituted other private insurance. Although other employee groups have taken the place of the UAW members in the center city, they are not in the favorable position of UAW groups who have collective bargaining agreements with their employers that give them a choice between carriers. The Inter-County Hospital Plan—a community individual-practice plan—lost 38,000 enrollees, most of them union groups, who turned to other types of health insurance plans when the Inter-County plan raised subscription rates after 2 years of adverse experience with these groups.

The difference of several points between the HIAA estimates and the other estimates of the proportion of the net population with health insurance continues to stand out very clearly. The ratio of total gross enrollments to the estimates of net enrollment by HIAA is examined as well as

the ratio of gross enrollments to ORS and NCHS estimates of net coverage.

The HIAA estimates did not take duplicating coverages into account until 1947. By 1960, the Association's ratio of gross enrollment to net enrollment had leveled off at about 114 percent. The various household surveys have found a substantially larger ratio in the past few years—120–131 percent for hospital benefits and 120–123 percent for surgical care. Some of the difference between HIAA estimates and the household survey figures may result from HIAA overstatement of enrollments reported by health insurance organizations or from underreporting under the household surveys.

For persons under age 65 and for those aged 65 and over, data on enrollments and estimates of the net population covered are presented separately in tables 8 and 9. The separate data are significant because of the changing health insurance picture since the start of Medicare operations in mid-1966.

For the population under age 65, gross total enrollments for hospital care rose 24 percent be-

TABLE 8.—Hospital benefits: Gross enrollment under private health insurance plans and estimates of the net number of different persons covered, by age and type of plan, 1960–69

[In thousands]

End of year	Gross enrollment					Net number of different persons covered, estimated by—				Gross enrollment as percent of net, estimated by—	
	Total	Blue Cross-Blue Shield	Insurance companies		Other plans	Household surveys		HIAA		Household surveys	HIAA
			Group policies	Individual policies		Number	Percent of civilian population	Number	Percent of civilian population		
Under age 65											
1960.....	139,855	53,070	53,718	27,487	5,580	-----	-----	120,772	74.1	-----	115.8
1961.....	142,576	52,750	55,263	27,951	6,612	-----	-----	124,595	75.4	-----	114.4
1962.....	146,626	54,194	56,853	29,121	6,458	120,220	72.3	128,600	76.6	122.0	114.0
1963.....	152,822	55,072	60,417	30,662	6,671	-----	-----	133,267	78.2	-----	114.7
1964.....	157,083	56,663	62,006	32,057	6,357	-----	-----	(¹)	(¹)	-----	-----
1965.....	162,461	57,884	64,504	33,572	6,501	-----	-----	141,400	81.0	-----	114.9
1966.....	170,053	60,575	67,546	35,729	6,203	-----	-----	148,589	84.4	-----	114.4
1967.....	175,672	62,103	71,279	35,670	6,620	137,617	77.4	153,768	86.5	127.7	114.2
1968.....	182,440	65,086	74,128	36,451	6,775	142,837	79.6	159,335	88.8	127.7	114.5
1969.....	190,251	67,251	78,194	37,621	7,185	² 147,408	81.3	164,383	90.7	129.1	115.9
Aged 65 and over											
1960.....	9,008	4,394	1,500	2,700	414	-----	-----	9,235	54.8	-----	97.5
1961.....	10,450	5,210	1,750	3,000	490	-----	-----	9,822	57.2	-----	106.4
1962.....	12,003	5,424	2,300	3,800	479	9,125	54.1	10,300	59.1	131.5	116.5
1963.....	12,320	5,626	2,400	3,800	494	-----	-----	11,308	63.8	-----	108.9
1964.....	12,538	5,766	2,500	3,800	472	-----	-----	(¹)	(¹)	-----	-----
1965.....	12,661	5,778	2,600	3,800	483	-----	-----	11,700	63.9	-----	108.2
1966.....	10,439	5,073	2,024	2,912	430	-----	-----	9,433	50.6	-----	110.7
1967.....	10,150	5,410	2,072	2,238	430	8,514	45.0	9,085	47.8	119.2	111.7
1968.....	11,115	5,424	1,931	3,258	502	³ 9,280	48.5	10,162	52.6	119.8	109.4
1969.....	12,152	5,960	1,899	3,848	445	³ 9,897	⁴ 50.4	10,838	55.2	122.8	112.1

¹ Data not available.

² See footnote 3, table 6.

³ Estimated on basis of percentage increase in gross enrollment from the preceding year.

⁴ In the Current Medicare Survey of the Social Security Administration, 51 percent of those enrolled for supplementary medical insurance were reported as having private hospital insurance as of Jan. 1, 1969.

tween 1962 and 1968, and enrollment for surgical care increased 25 percent. By the end of 1969, enrollments had risen again, by almost 5 percent for hospital care and for surgical care. As measured by the household surveys, the increases in the net number of persons covered from 1962 to 1968 were 19 percent for hospital care and 21 percent for surgical care. The 1969 increases in enrollment were 3 percent for hospital care and 4 percent for surgical care, as shown by the projection of the 1968 household-survey estimates.

The picture is different for persons aged 65 and over. The number and proportion covered by private health insurance reached their maximum in 1965 and fell off with the advent of Medicare. Total enrollments dropped only 18 percent by the end of 1966, however—an indication that the great majority of the aged with private health insurance retained their insurance, shifting to policies or plans complementary to Medicare. After a further slight decline in 1967, enrollment rose in 1968 and 1969. The percentage of the aged population with private insurance coverage also increased in those years.

The steadily broadening scope of benefits under

private health insurance is shown in table 10, which gives data on enrollment and estimated net population covered, by type of health care benefit. For all ages, coverage for X-ray and laboratory examinations, prescribed drugs, and private-duty nursing has almost doubled since 1962; net enrollment for physicians' office and home visits went up 51 percent; the number and percentage of persons with visiting-nurse service more than doubled; nursing-home care covered five times as many persons; and dental care jumped eightfold.

The expansion in the areas of physicians' office and home visits, private-duty nursing, and to some extent X-ray and laboratory examinations and prescribed drugs, comes largely through increased coverage under supplementary major medical and comprehensive insurance policies and extended-benefits contracts under Blue Cross-Blue Shield plans. Much of the expansion of coverage for X-ray and laboratory examinations, prescribed drugs, and dental care has come through self-insured employer-employee-union plans and community plans—both group practice and individual practice. It is clear, however, that all private health insurance organizations are tend-

TABLE 9.—Surgical benefits: Gross enrollment under private health insurance plans and estimates of the net number of different persons covered, by age and type of plan, 1960-69

[In thousands]

End of year	Gross enrollment					Net number of different persons covered, estimated by—				Gross enrollment as percent of net, estimated by—	
	Total	Blue Cross-Blue Shield	Insurance companies		Other plans	Household surveys		HIAA		Household surveys	HIAA
			Group policies	Individual policies		Number	Percent of civilian population	Number	Percent of civilian population		
Under age 65											
1960.....	127,386	45,226	54,104	21,212	6,844			109,452	67.2		116.4
1961.....	132,209	45,640	55,673	22,962	7,925			114,645	69.3		115.3
1962.....	134,609	46,599	57,487	22,791	7,732	113,569	68.3	(1)		118.5	
1963.....	139,278	46,086	60,888	24,273	8,031			122,112	(1) 71.6		114.1
1964.....	144,811	49,825	62,439	24,806	7,741			(1)			
1965.....	150,946	51,348	64,957	26,539	8,102			130,100	74.5		116.0
1966.....	157,504	53,613	68,574	27,479	7,898			137,448	78.1		114.6
1967.....	163,643	56,020	72,583	26,965	8,075	134,061	75.4	142,828	80.3	122.9	114.6
1968.....	168,588	58,390	75,619	26,300	8,279	137,234	76.5	147,252	82.1	122.9	114.5
1969.....	176,716	60,499	79,571	26,196	9,450	* 142,902	78.8	153,304	84.6	123.6	115.3
Aged 65 and over											
1960.....	6,732	3,040	1,400	1,800	492			7,852	46.6		85.7
1961.....	7,894	3,725	1,700	1,900	569			8,306	48.4		95.0
1962.....	9,832	4,277	2,300	2,700	555	7,792	46.2	(1)	(1)	126.2	(1)
1963.....	9,962	4,285	2,400	2,700	577			9,842	(1) 55.6		(1) 101.2
1964.....	10,404	4,648	2,500	2,700	556			(1)	(1)		(1)
1965.....	10,864	4,982	2,600	2,700	582			10,400	56.8		104.5
1966.....	8,307	4,304	1,694	1,822	487			7,267	39.0		111.1
1967.....	8,407	4,413	1,735	1,784	505	8,376	44.1	7,568	39.8	100.4	111.1
1968.....	9,059	4,889	1,796	1,901	473	* 9,021	46.7	8,473	43.8	100.4	106.9
1969.....	10,289	6,096	1,792	1,901	500	* 9,412	* 47.9	8,840	45.0	109.3	116.4

¹ Data not available.
² See footnote 3, table 6.
³ See footnote 3, table 8.

⁴ In the Current Medicare Survey of the Social Security Administration, 44 percent of those enrolled for supplementary medical insurance were reported as having private surgical insurance as of Jan. 1, 1969.

ing to broaden the scope of their basic coverage.

Table 11 shows, for coverage of persons of all ages, the annual growth since 1955 in the number of persons under major medical policies of insurance companies and under supplementary major medical and comprehensive extended-benefits contracts of Blue Cross-Blue Shield plans. In 1969 group insurance policies covered twelve times the number covered under individual insurance policies, with supplementary major medical coverage outnumbering comprehensive coverages 3 to 1. Almost five times as many persons were covered under Blue Cross-Blue Shield supplementary major medical plans as the number covered under Blue Cross-Blue Shield comprehensive extended-benefit plans.

Beginning in 1966, major medical coverage has increased at a faster pace under Blue Cross-Blue Shield plans than under insurance policies. However, the growth rate under individual insurance policies has stepped up rapidly since 1966, indicating that individual policies are frequently pur-

chased as a supplement to a basic Blue Cross-Blue Shield plan or a group insurance plan.

With minor exceptions—mostly in the area of drugs—plans other than Blue Cross-Blue Shield and insurance company plans do not provide coverage of the major medical type. The community plans generally provide comprehensive physicians' services and usually complete coverage of hospital care. A very small number of the employer-employee-union plans have major medical coverage.

Group-practice plans are of special interest, since they would, presumably, be important links to any national health insurance scheme. Moreover, group practice as a method of organization and delivery of health care will continue to be studied from the standpoint of improved quality of care and savings in costs, for both hospital utilization and use of physicians' services, and as a source of comprehensive and preventive care. Since 1953, enrollment in these plans has roughly doubled for hospital care, surgical services, and

TABLE 10.—Estimates of the net number of different persons under private health insurance plans and percent of population covered, by age and specified type of care, 1962-69

End of year	Hospital Care	Physicians' services				Dental care	Prescribed drugs	Private-duty nursing	Visiting-nurse service	Nursing-home care
		Surgical services	In-hospital visits	X-ray and laboratory examinations	Office and home visits					
All ages										
Number (in thousands):										
1962	129,800	120,528	(1)	65,671	56,986	1,006	47,907	46,143	43,303	4,975
1965	(1)	(1)	(1)	79,500	63,400	3,100	53,200	56,000	60,100	9,900
1966	(1)	(1)	(1)	90,000	73,706	4,227	65,544	68,722	79,004	17,814
1967	146,131	142,437	(1)	92,480	78,565	4,679	71,201	76,080	81,771	18,754
1968	152,117	146,295	128,174	97,703	85,311	5,821	79,280	83,485	90,523	19,046
1969	157,305	152,314	133,914	125,002	86,317	8,510	89,805	91,211	100,343	28,044
Percent of civilian population:										
1962	70.0	65.0	(1)	35.0	31.0	0.5	26.0	25.0	23.0	3.0
1965	(1)	(1)	(1)	41.2	32.9	1.6	27.6	29.0	31.2	5.1
1966	(1)	(1)	(1)	48.0	37.9	2.2	33.7	35.0	40.6	9.2
1967	74.3	72.4	(1)	47.0	39.9	2.4	36.2	38.7	41.6	9.2
1968	76.5	73.6	64.5	49.2	42.9	2.9	39.9	42.0	45.5	9.6
1969	78.3	75.8	66.6	62.2	43.0	4.2	44.7	45.4	49.9	14.0
Under age 65										
Number (in thousands):										
1967	137,617	134,061	116,656	88,926	75,785	4,596	69,363	73,857	79,302	15,873
1968	142,837	137,274	121,104	93,714	82,295	5,719	76,748	81,309	87,697	16,921
1969	147,408	142,902	126,190	117,472	77,916	8,385	86,880	88,024	96,885	23,962
Percent of civilian population:										
1967	77.4	75.4	65.6	50.0	42.6	2.6	39.0	41.5	44.6	8.9
1968	79.6	76.5	67.5	52.2	45.9	3.2	42.8	45.3	48.9	9.4
1969	81.3	78.8	69.6	64.8	43.0	4.6	47.9	48.5	53.4	13.2
Aged 65 and over										
Number (in thousands):										
1967	8,514	8,376	5,905	3,554	2,780	83	1,838	2,223	2,470	2,881
1968	9,280	9,021	7,070	3,989	3,016	102	2,532	2,176	2,826	2,125
1969	9,897	9,412	7,724	7,530	8,401	125	2,925	3,187	3,458	4,082
Percent of civilian population:										
1967	45.0	44.0	31.1	18.7	14.6	0.4	9.7	11.7	13.0	15.2
1968	48.5	46.7	36.6	20.6	15.6	.5	13.1	11.3	14.6	11.0
1969	50.4	47.9	39.3	38.3	42.8	.6	14.9	16.2	17.6	20.8

¹ Data not available.

TABLE 11.—Number of persons covered under major medical policies of insurance companies and under supplementary major medical and comprehensive extended-benefits contracts of Blue Cross-Blue Shield plans, 1955-69

[In thousands]

End of year	Insurance companies					Blue Cross-Blue Shield plans ¹		
	Total	Group policies			Individual policies	Total	Supplementary major medical	Comprehensive extended benefit
		Total	Supplementary	Comprehensive				
1955.....	5,241	4,759	3,928	831	482			
1960.....	27,448	25,608	17,285	8,323	1,840	3,713	3,020	693
1961.....	34,138	31,517	22,281	9,236	2,621	5,059	4,015	1,044
1962.....	38,250	35,053	25,301	9,752	3,197	7,501	5,068	1,735
1963.....	42,441	38,699	28,248	10,451	3,742	(²)	(²)	(²)
1964.....	47,001	42,579	31,772	10,807	4,422	(²)	(²)	(²)
1965.....	51,946	47,269	35,988	11,281	4,677	³ 14,600	(²)	(²)
1966.....	56,742	52,002	39,685	12,317	4,740	14,352	10,409	3,943
1967.....	62,226	57,447	43,899	13,548	4,779	16,279	12,408	3,871
1968.....	66,841	61,738	46,935	14,803	5,103	17,807	14,078	3,729
1969.....	72,292	66,630	49,875	16,755	5,662	20,328	16,666	3,662

¹ Comparable data not available for earlier years; before 1965, data shown are for Blue Cross plans only; beginning 1965, data jointly developed by Blue Cross Association and National Association of Blue Shield Plans on unduplicated number of persons covered.

² Data not available.

³ Data for Blue Cross plans plus an estimated 1,600,000 in Blue Shield plans not affiliated with Blue Cross.

dental care (table 12). In the last 5 years growth is estimated at 38 percent for hospital care, 36 percent for surgical services, 33 percent for in-hospital physicians' visits, and 31 percent for physicians' visits in office, clinic, and health center. The growth in dental care and in prescription drugs enrollment has been especially rapid during the past year—68 and 24 percent, respectively.

FINANCIAL EXPERIENCE

In 1969 the subscription or premium income of all private health insurance organizations totaled \$14.7 billion (table 13). Claims or benefit expense amounted to \$13.1 billion or 89 percent of premium income. The organizations used \$2.1 billion for operating expense (15 percent of premium income) and had a net underwriting loss of 4 percent. Some of this underwriting loss was

made up by income from investment of reserves.

The Blue Cross-Blue Shield plans had a subscription income of \$6.2 billion. About \$5.9 billion of this total was used for benefits (96 percent) and \$0.5 billion (7 percent) for operating expense. The net underwriting loss for the plans was \$0.2 billion. The income from investments on reserves reduced this loss to \$95 million. Blue Cross plans had almost 69 percent of the total Blue Cross-Blue Shield subscription or premium income, Blue Shield plans the remaining 29 percent. Blue Cross plans expended 98 percent of income for benefits; Blue Shield plans, 91 percent. The operating expenses were 6 percent of premium income for Blue Cross plans, 11 percent for Blue Shield plans. Blue Cross plans incurred a net underwriting loss of 4 percent of premium income; for Blue Shield plans the loss was 3 percent.

For insurance companies, total premium income reached \$7.6 billion—one-fourth came from individual policies and three-fourths from group business. Group business paid out 94 percent of premium income in benefits; individual policies paid out 51 percent. Operating expense amounted to \$859 million in individual business, compared with \$750 million in group business. For all insurance policies, it represented 21 percent of premium income. Individual business showed a net underwriting gain of 4 percent of premium income; in group business the net underwriting loss was 7 percent.

Private health insurance plans other than Blue Cross-Blue Shield and insurance company plans

TABLE 12.—Private health insurance enrollment under group-practice prepayment plans, by specified type of care, 1953-69

[In thousands]

Year	Hospital care	Physicians' services			Dental care	Drugs
		Surgical services	In-hospital visits	Office, clinic, or health center		
1953.....	1,802	2,410	2,507	2,853	452	(¹)
1956.....	2,428	3,177	3,399	3,395	248	(¹)
1959.....	2,526	3,280	3,400	3,694	318	(¹)
1961.....	2,586	3,484	3,643	3,643	398	518
1964.....	2,695	3,504	3,176	3,844	438	889
1966.....	2,771	3,763	3,430	4,158	(¹)	(¹)
1967.....	3,060	4,130	3,760	4,480	(¹)	(¹)
1968.....	3,043	4,051	3,730	4,404	518	1,382
1969.....	3,730	4,750	4,210	5,050	870	1,720

¹ Data not available.

TABLE 13.—Financial experience of private health insurance organizations, 1969

[Amounts in millions]

Type of plan	Total income	Subscription or premium income	Claims expense		Operating expense		Net underwriting gain		Net income	
			Amount	Percent of premium income	Amount	Percent of premium income	Amount	Percent of premium income	Amount	Percent of premium income
Total.....	(1)	\$14,657.7	\$13,068.5	89.2	\$2,133.7	14.6	-\$544.5	-3.7	(1)	-----
Blue Cross-Blue Shield.....	\$6,265.8	6,155.6	5,903.1	95.9	457.7	7.4	-205.2	-3.3	-\$95.0	-1.5
Blue Cross.....	4,434.1	4,365.2	4,271.4	97.9	252.3	5.8	-158.5	-3.6	-89.6	-2.0
Blue Shield.....	1,831.7	1,790.4	1,631.7	91.1	205.3	11.5	-46.6	-2.6	-5.3	-.3
Insurance companies.....	(1)	7,569.0	6,306.0	83.3	1,609.5	21.3	-346.5	-4.6	(1)	-----
Group policies.....	(1)	5,685.0	5,349.0	94.1	750.4	13.2	-414.4	-7.3	(1)	-----
Individual policies.....	(1)	1,884.0	957.0	50.8	859.1	45.6	67.9	3.6	(1)	-----
Other plans.....	933.1	933.1	859.4	92.1	66.5	7.1	7.2	.8	7.2	.8
Community.....	375.0	375.0	349.0	93.1	27.0	7.2	-1.0	-.3	-1.0	-.3
Employer-employee-union.....	490.0	490.0	450.0	91.8	35.0	7.2	5.0	1.0	5.0	1.0
Private group clinic.....	16.3	16.3	14.2	87.1	1.1	6.8	1.0	6.1	1.0	6.1
Dental service corporation.....	51.8	51.8	46.2	89.2	3.4	6.6	2.2	4.2	2.2	4.2

¹ Data not available.

had a total income of \$933 million. They used 92 percent of such income for benefits, and 7 percent for operating expense, and they showed a net underwriting gain of almost 1 percent of premium income.

Source of Data

The data for Blue Cross and Blue Shield plans

are based on financial statements for all plans supplied by the Blue Cross Association and the National Association of Blue Shield Plans. Duplication resulting from the fact that six joint Blue Cross-Blue Shield plans report identical data to both national organizations has been eliminated. Data for Health Services, Incorporated, and for Medical Indemnity of America—insurance companies owned by the Blue Cross

TABLE 14.—Percentage distribution of subscription or premium income and claims expense, by type of private health insurance organization, 1948-69

Year	Total	Blue Cross-Blue Shield plans			Insurance companies			Other plans				
		Total	Blue Cross	Blue Shield	Total	Group policies	Individual policies	Total ¹	Community	Employer-employee-union	Private group clinic	Dental service corporation
Subscription or premium income												
1948.....	100.0	42.3	36.5	5.8	48.8	24.6	24.2	8.8	(2)	(2)	(2)	(2)
1950.....	100.0	44.4	33.8	10.6	46.8	25.8	21.1	8.7	(2)	(2)	(2)	(2)
1955.....	100.0	41.0	28.0	12.1	51.7	32.5	19.2	7.3	(2)	(2)	(2)	(2)
1960.....	100.0	42.5	30.4	12.1	51.8	36.0	15.8	5.7	2.3	3.2	0.2	(2)
1961.....	100.0	42.0	30.0	12.0	51.4	36.2	15.2	6.6	2.2	3.8	.2	0.1
1962.....	100.0	42.1	29.9	12.2	51.4	36.5	14.9	6.5	2.2	3.8	.1	(2)
1963.....	100.0	42.2	30.3	11.9	51.4	36.2	15.2	6.4	2.3	3.6	.2	.1
1964.....	100.0	42.1	30.0	12.1	51.8	36.7	15.1	6.1	2.2	3.7	.1	.1
1965.....	100.0	41.7	29.9	11.8	52.2	36.6	15.6	6.1	2.2	3.7	.1	.1
1966.....	100.0	41.0	29.2	11.8	52.9	37.7	15.2	6.1	2.3	3.5	.1	.2
1967.....	100.0	41.0	29.1	11.9	52.8	38.5	14.3	6.2	2.5	3.3	.1	.3
1968.....	100.0	40.2	28.4	11.8	53.7	40.0	13.7	6.1	2.5	3.2	.1	.3
1969.....	100.0	42.0	29.8	12.2	51.6	38.8	12.8	6.4	2.6	3.3	.1	.4
Claims expense												
1948.....	100.0	50.8	44.4	6.4	37.6	24.4	13.2	11.6	(2)	(2)	(2)	(2)
1950.....	100.0	49.5	38.6	10.9	40.3	25.9	14.4	10.2	(2)	(2)	(2)	(2)
1955.....	100.0	45.2	32.8	12.4	46.5	33.8	12.7	8.3	(2)	(2)	(2)	(2)
1960.....	100.0	45.8	32.9	12.8	47.8	38.0	9.8	6.4	(2)	(2)	(2)	(2)
1961.....	100.0	45.4	32.8	12.6	47.5	38.1	9.4	7.1	(2)	(2)	(2)	(2)
1962.....	100.0	45.6	32.5	13.1	47.5	38.7	8.8	6.9	(2)	(2)	(2)	(2)
1963.....	100.0	45.6	33.2	12.4	47.7	38.3	9.5	6.7	(2)	(2)	(2)	(2)
1964.....	100.0	45.6	33.1	12.5	48.0	38.6	9.4	6.3	(2)	(2)	(2)	(2)
1965.....	100.0	44.8	32.7	12.1	48.9	39.1	9.8	6.3	2.3	3.8	0.1	0.1
1966.....	100.0	43.5	31.5	12.0	50.2	40.6	9.6	6.4	2.4	3.6	.1	.2
1967.....	100.0	42.8	31.0	11.7	50.7	41.9	8.8	6.5	2.6	3.5	.1	.3
1968.....	100.0	42.7	31.1	11.6	51.0	42.7	8.3	6.3	2.6	3.3	.1	.3
1969.....	100.0	45.2	32.7	12.5	48.2	40.9	7.3	6.6	2.7	3.4	.1	.4

¹ Medical society data not included.

² Data not available.

³ Less than 0.05 percent.

TABLE 15.—Benefit expenditures of private health insurance organizations, by specified type of care, 1969

[Amounts in millions]

Type of plan	Total benefit expenditures		Hospital care		Physicians' services		Dental care		Other types of care	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Total.....	\$13,068.5	100.0	\$8,356.2	64.0	\$4,028.9	30.8	\$154.8	1.2	\$528.6	4.0
Blue Cross-Blue Shield.....	5,903.1	100.0	4,155.4	70.4	1,565.4	23.5	2.4	(1)	179.9	3.1
Blue Cross.....	4,271.4	100.0	4,044.4	94.7	106.7	2.5	.8	(1)	119.5	2.8
Blue Shield.....	1,631.7	100.0	111.0	6.8	1,458.7	89.4	1.6	.1	60.4	3.7
Insurance companies.....	6,306.0	100.0	3,845.0	61.0	2,072.0	32.9	83.0	1.3	306.0	4.8
Group policies.....	5,349.0	100.0	3,191.0	59.7	1,814.0	33.9	83.0	1.5	261.0	4.9
Individual policies.....	957.0	100.0	654.0	68.3	258.0	27.0	(1)		45.0	4.7
Other plans.....	859.4	100.0	355.8	41.4	391.5	45.5	69.4	8.1	42.7	5.0
Community.....	349.0	100.0	105.0	30.1	230.0	65.9	7.0	2.0	7.0	2.0
Employer-employee-union.....	450.0	100.0	250.0	55.6	150.0	33.3	15.0	3.3	35.0	7.8
Private group clinic.....	14.2	100.0	.8	5.6	11.5	81.0	1.2	8.5	.7	4.9
Dental service corporation.....	46.2	100.0					46.2	100.0		

¹ Less than 0.05 percent.

and Blue Shield associations, respectively—have been included.

The data on premium income and benefit expense of insurance companies were provided by HIAA. Premium income data come from the National Underwriter Company's annual survey of accident and health insurance and from HIAA's annual surveys of companies in this field. The division of group accident and health business between health care and wage loss is based on HIAA's annual survey of enrollment, premium income, and benefits paid under group business. For individual business, the distribution is based on HIAA's annual survey of benefits paid. Operating expenses were estimated by applying operating expense ratios to premium income derived from the National Underwriter Company aggregates³ to HIAA premium income.

Of the total premium or subscription income of all private health insurance organizations in 1969, 42 percent was received by Blue Cross-Blue Shield plans; 52 percent by insurance companies (with group business three times the individual business); and 6 percent by other plans (table 14). The insurance company share of total benefit expense was somewhat smaller than their share of premium income. For both Blue Cross-Blue Shield plans and the other plans, the share of benefit expense was larger than their share of subscription income.

Insurance companies have consistently received the largest share of all premium and subscription income from 1948 to 1969. Beginning in 1955, their claims expenditures ran higher than that of Blue Cross-Blue Shield plans. Group

business has accounted for much of the increase in benefit expenditures: in 1948 the group share was almost twice the individual share; in 1969 it was more than five times the individual share. From 1948 to 1964, plans other than those of the Blue Cross-Blue Shield associations and insurance companies showed a gradually declining share of subscription income and benefit expenditures. Since 1964, there has been a general leveling off, with evidence of a slight upturn in 1969.

Benefit Expenditures and Types of Care

Sixty-four percent of benefit expenditures by all private health insurance organizations went for hospital care; 31 percent for physicians' services; slightly more than 1 percent for dental care; and 4 percent for other types of benefits—mainly private-duty nursing and drugs (table 15). Blue Cross-Blue Shield plans spent more for hospital care—70 percent of benefit expenditures for all types of care—than did insurance companies (61 percent). Plans other than Blue Cross-Blue Shield plans and those of insurance companies paid out 8 percent of benefits for dental care, compared with 1.3 percent spent by insurance companies and less than 1/2 of 1 percent by Blue Cross-Blue Shield plans.

Benefit Expenditures Per Enrollee

Table 16 gives some idea of the relative depth or comprehensiveness of the coverage provided by the various private health insurance organizations to their enrollees. In 1969, Blue Cross-Blue Shield plans led the other carriers with

³ *Argus 1970 Chart of Health Insurance*, page 112.

TABLE 16.—Benefit expenditures of private health insurance organizations per person enrolled for specified benefits, 1969

Type of plan	Hospital care	Physicians' services
Blue Cross-Blue Shield.....	\$56.76	\$23.51
Blue Cross.....	57.27	29.40
Blue Shield.....	42.84	23.17
Insurance companies.....	31.63	18.76
Group policies.....	39.84	22.30
Individual policies.....	15.77	8.87
Other plans.....	46.63	39.35
Community.....	40.38	51.11
Employer-employee-union.....	50.00	28.30

an average \$56.76 per year for hospital care benefits per person enrolled for this type of benefit. For those enrolled with insurance companies for this benefit, per capita expenditures were \$31.63. The average per person was \$46.63 in the other plans. The lowest annual expenditure—\$15.77 per person—was made by insurance companies under individual policies.

These averages reflect (1) the high utilization rate of hospital care under Blue Cross-Blue Shield contracts that provide more days of coverage and more comprehensive coverage of hospital costs than group policies of insurance companies, (2) the generally meager coverage under individual insurance policies, and (3) the relatively lower utilization rates under community group-practice plans.

For physicians' services, community plans led the other carriers with a per capita expenditure of \$51.11: most community plans provide a virtually complete coverage of in-office, home, and hospital visits. Blue Cross-Blue Shield plans spent \$23.51 per person enrolled, and \$8.87 per person covered was spent under individual policies of insurance companies. The enrollment for surgical insurance was used in making these calculations.

Trends

Data are presented in table 17 on the premium income and benefit expenditures of private health insurance organizations from 1948 to 1969. Premium income and benefit expenditures for all plans rose at about the same rate in 1969 as in previous years, but there was a marked shift in the gains among the carriers. Blue Cross-Blue Shield subscription income rose more sharply than it had in the previous year—19 percent compared with 14 percent. Benefit expenditures were up 22 percent from the amount spent in the preceding year.

Insurance company premiums increased only

TABLE 17.—Subscription or premium income and benefit expenditures of private health insurance organizations, 1948-69

(In millions)

Year	Total	Blue Cross-Blue Shield plans			Insurance companies			Other plans
		Total	Blue Cross	Blue Shield	Total	Group policies	Individual policies	
Income								
1948.....	\$862.0	\$365.0	\$315.0	\$50.0	\$421.0	\$212.0	\$209.0	\$76.0
1950.....	1,291.5	574.0	436.7	137.3	605.0	330.3	272.0	112.5
1955.....	3,149.6	1,292.4	910.7	381.7	1,626.9	1,022.5	604.4	230.3
1960.....	5,841.0	2,482.1	1,773.0	709.1	3,027.0	2,104.0	923.0	331.9
1961.....	6,673.3	2,805.1	2,004.4	800.7	3,427.0	2,414.0	1,013.0	441.2
1962.....	7,411.1	3,118.6	2,212.8	905.8	3,810.0	2,708.0	1,102.0	482.5
1963.....	8,053.6	3,399.4	2,438.7	960.7	4,136.0	2,913.0	1,223.0	518.2
1964.....	8,983.6	3,785.1	2,697.6	1,087.5	4,652.0	3,297.0	1,355.0	546.5
1965.....	10,001.3	4,169.0	2,903.7	1,175.3	5,224.0	3,665.0	1,559.0	608.3
1966.....	10,564.1	4,327.8	3,085.9	1,241.9	5,595.0	3,987.0	1,608.0	641.3
1967.....	11,105.3	4,555.3	3,230.0	1,325.3	5,858.0	4,270.0	1,588.0	692.0
1968.....	12,898.7	5,187.1	3,665.0	1,522.1	6,933.0	5,159.0	1,774.0	778.6
1969.....	14,657.7	6,155.6	4,365.2	1,790.4	7,569.0	5,685.0	1,884.0	933.1
Benefit expenditures								
1948.....	\$606.0	\$308.0	\$269.0	\$39.0	\$228.0	\$148.0	\$80.0	\$70.0
1950.....	991.9	490.6	382.9	107.7	400.0	257.0	143.0	101.3
1955.....	2,535.7	1,146.7	832.2	314.5	1,179.0	858.0	321.0	210.0
1960.....	4,996.3	2,287.1	1,646.2	640.9	2,389.0	1,901.0	488.0	320.2
1961.....	5,965.4	2,585.4	1,867.1	718.3	2,706.0	2,170.0	536.0	404.0
1962.....	6,343.8	2,893.6	2,064.5	829.1	3,012.0	2,453.0	559.0	438.2
1963.....	6,979.3	3,179.5	2,317.3	862.2	3,332.0	2,671.0	661.0	467.8
1964.....	7,832.1	3,574.4	2,592.8	981.6	3,763.0	3,024.0	739.0	494.7
1965.....	8,728.9	3,912.9	2,853.4	1,059.5	4,265.0	3,413.0	852.0	551.0
1966.....	9,141.8	3,975.4	2,882.2	1,093.2	4,585.0	3,711.0	874.0	581.4
1967.....	9,544.8	4,082.8	2,963.1	1,119.7	4,837.0	3,998.0	839.0	625.0
1968.....	11,343.6	4,840.6	3,529.2	1,311.4	5,791.0	4,841.0	950.0	712.0
1969.....	13,068.5	5,903.1	4,271.4	1,631.7	6,306.0	5,349.0	957.0	859.4

TABLE 18.—Financial experience of Blue Cross plans, 1950-69¹

[Amounts in thousands]

Year	Reserves	Earned subscription income	Total earned income	Claims expense	Operating expense	Total net income or loss	As percent of subscription income			Net income as percent of total income
							Claims expense	Operating expense	Underwriting gain or loss	
1950	\$116,531	\$433,770	\$436,984	\$383,331	\$36,281	\$17,371	88.4	8.4	3.3	4.0
1955	254,407	916,690	925,197	836,546	58,368	30,283	91.3	6.4	2.4	3.3
1960	363,253	1,783,172	1,802,789	1,654,951	90,821	57,017	92.8	5.1	2.1	3.2
1961	410,658	2,011,062	2,035,740	1,872,939	99,269	63,531	93.1	4.9	1.9	3.1
1962	454,626	2,230,747	2,257,523	2,103,084	107,204	47,235	94.3	4.8	.9	2.1
1963	492,872	2,467,195	2,497,377	2,343,231	115,228	38,018	95.0	4.7	.4	1.6
1964	511,112	2,731,380	2,766,829	2,624,302	124,969	17,558	96.1	4.6	-.7	.6
1965	561,906	3,031,470	3,074,551	2,887,187	134,559	52,805	95.2	4.5	.3	1.7
1966	649,633	3,121,111	3,168,187	2,912,733	154,132	101,322	93.3	4.9	1.7	3.2
1967	797,575	3,270,022	3,327,677	2,996,779	177,632	153,266	91.6	5.4	3.0	4.6
1968	801,389	3,711,798	3,776,487	3,511,797	211,698	-7,008	96.2	5.7	-1.9	-2.0
1969	711,274	4,419,296	4,489,266	4,322,341	256,227	-89,302	97.8	5.8	-3.6	-2.0

¹ Data in all years exclude Health Services, Inc., and are not adjusted for duplication between Blue Cross and Blue Shield.

² Includes Puerto Rico.

9 percent in group business and 6 percent in individual business. Their benefit expenditures rose about 10 percent in group business and less than 1 percent in individual business; in 1968 the gains had been 21 percent in premium income for group business and 12 percent for income of individual policies. Plans other than Blue Cross-Blue Shield plans and insurance company plans showed a 20-percent increase in income. Their expenditures rose 21 percent, the 1948 rise had been 14 percent.

As a result of the growth pattern of income and benefit expenditures, Blue Cross-Blue Shield plans received 42 percent of the premium income of all private health insurance plans in 1969; their share was 40 percent in 1968 (table 14). Insurance company premium income accounted for 52 percent of all subscription and premium income—a drop from the 54 percent in the previous year. Other plans received 6 percent of

the income—up slightly from the previous year. Similar shifting in relative shares was reflected in the benefit expenditure data.

Claims expense of Blue Cross plans continued to increase more rapidly than subscription income. As a result the claims expense ratio rose from 96 percent to 98 percent of subscription income and the 2 percent underwriting loss of 1968 went up to well over 3 percent (table 18). The increase in claims expense reflects rising hospital costs. The operating expense ratio also continued its upward trend.

Blue Shield subscription income in 1969 was 17 percent higher than it was in 1968, and claims expense was 24 percent higher (table 19). The claims expense ratio increased from 87 percent to 91 percent; this rise, together with a slight increase in operating expense, resulted in a 3-percent underwriting loss.

TABLE 19.—Financial experience of Blue Shield plans, 1950-69¹

[Amounts in thousands]

Year	Reserves	Earned subscription income	Total earned income	Claims expense	Operating expense	Total net income or loss	As percent of subscription income			Net income as percent of total income
							Claims expense	Operating expense	Underwriting gain or loss	
1950	\$34,954	\$140,817	\$141,594	\$111,039	\$18,653	\$11,902	78.8	13.2	7.9	8.4
1955	164,705	399,781	404,294	331,068	43,610	29,616	82.8	10.9	6.3	7.3
1960	228,634	741,164	761,529	670,776	76,245	4,508	90.5	10.3	-.8	.6
1961	236,101	837,773	848,992	752,695	82,741	13,556	89.8	9.9	.3	1.6
1962	266,536	974,086	985,373	868,816	91,136	25,421	89.2	9.4	1.5	2.6
1963	289,440	1,086,356	1,101,745	977,147	99,662	24,936	89.9	9.2	.9	2.3
1964	317,528	1,209,394	1,227,557	1,095,713	108,691	23,153	90.6	9.0	.4	1.9
1965	347,266	1,318,915	1,338,907	1,190,486	115,940	32,481	90.3	8.8	.9	2.4
1966	398,374	1,399,890	1,413,185	1,226,383	129,864	56,938	88.2	9.3	2.5	4.0
1967	509,094	1,489,640	1,519,309	1,261,650	148,750	108,909	84.7	10.0	5.3	7.2
1968	578,390	1,709,548	1,747,867	1,481,070	180,154	86,643	86.6	10.5	2.8	5.0
1969	555,079	2,007,970	2,054,571	1,834,495	222,514	-2,438	91.4	11.1	-2.5	-1.1

¹ Data in all years exclude Medical Indemnity of America and are not adjusted for duplication between Blue Cross and Blue Shield.

² Includes Jamaica.

³ Includes Puerto Rico but excludes Jamaica.

TABLE 20.—Benefit expenditures of all private health insurance organizations, by specified type of care, 1950-69

Year	Total	Hospital care	Physicians' services	Other types of care
Amount (in millions)				
1950.....	\$992	\$680	\$312	(1)
1955.....	2,536	1,679	857	(1)
1960.....	4,996	3,304	1,593	\$99
1961.....	5,695	3,766	1,796	133
1962.....	6,344	4,197	1,992	155
1963.....	6,980	4,642	2,153	185
1964.....	7,832	5,187	2,427	218
1965.....	8,729	5,740	2,680	259
1966.....	9,142	5,993	2,831	318
1967.....	9,545	6,133	2,964	447
1968.....	11,344	7,329	3,477	538
1969.....	13,069	8,356	4,029	684
Percentage distribution				
1950.....	100.0	68.5	31.5	(1)
1955.....	100.0	66.2	33.8	(1)
1960.....	100.0	66.1	31.9	2.0
1961.....	100.0	66.1	31.5	2.3
1962.....	100.0	66.2	31.4	2.4
1963.....	100.0	66.5	30.8	2.7
1964.....	100.0	66.2	31.0	2.8
1965.....	100.0	66.3	30.7	3.0
1966.....	100.0	65.6	31.0	3.5
1967.....	100.0	64.3	31.1	4.7
1968.....	100.0	64.6	30.7	4.7
1969.....	100.0	63.9	30.8	5.3

¹ Included in physicians' services.

The financial experience of insurance companies in 1969 was generally similar to that in the past few years. Claims expense under group business amounted to 94 percent of premium income and operating expense was 13 percent of premium income. The net loss from underwriting was 7 percent (table 13). This loss is made up to some degree by income from investment of reserves but largely by gains in group disability and group life insurance.

Under individual policies the claims ratio of 51 percent was slightly lower than the 1968 ratio;

the operating-expense ratio was 46 percent, compared with 47 percent in 1968. A small underwriting gain occurred in 1969 and a slight loss the year before.

The trend in the distribution of benefit expenditures of private health insurance organizations from 1950 to 1969 is delineated in table 20. The 1969 distribution shows little change from that of the immediately preceding years.

In 1969 the net cost of private health insurance to the American public was \$1.6 billion. This amount is the difference between earned premium or subscription income and benefit expenditures (claims expense). It represents the retentions by the carriers to cover operating expenses, additions to reserves, and profits. Retentions of Blue Cross-Blue Shield plans amounted to \$253 million. Approximately \$1.3 billion was retained by insurance companies and \$74 million by other plans. It should be pointed out that insurance companies pay premium taxes of 2-3 percent (varying from State to State) from which Blue Cross-Blue Shield plans and other plans are generally exempt. These plans do, however, carry the full cost of administration. Under most large group insurance policies the employer performs much of the administrative work, including determination of eligibility and review and payment of claims.

Over the years, consumers have been able to buy health insurance on increasingly advantageous terms in the sense that they get back increasingly more of their premium or subscription dollar in benefits. Evidence of this trend is the steady decline in the retention ratio—retentions

TABLE 21.—Retentions ¹ of private health insurance organizations as a percent of subscription or premium income, 1948-69 ²

Year	Total	Blue Cross-Blue Shield plans			Insurance companies			Other plans ³				
		Total	Blue Cross	Blue Shield	Total	Group policies	Individual policies	Total	Community	Employer-employee-union	Private group clinic	Dental service corporations
1948.....	29.7	15.6	14.6	22.0	45.8	30.2	61.7	7.9	(3)	(3)	(3)	(3)
1950.....	23.2	14.5	12.3	21.6	33.9	22.8	47.4	10.0	(3)	(3)	(3)	(3)
1955.....	19.5	11.3	8.6	17.6	27.5	16.1	46.9	8.8	(3)	(3)	(3)	(3)
1960.....	14.5	7.9	7.2	9.6	21.1	9.6	47.1	3.5	(3)	(3)	(3)	(3)
1961.....	14.7	7.8	6.8	10.3	21.0	10.1	47.1	8.4	(3)	(3)	(3)	(3)
1962.....	14.4	7.2	5.7	11.0	20.9	9.4	49.3	9.2	(3)	(3)	(3)	(3)
1963.....	13.3	6.5	5.0	10.3	19.4	8.3	46.0	9.7	(3)	(3)	(3)	(3)
1964.....	12.8	5.6	3.9	9.7	19.1	8.3	45.5	9.5	(3)	(3)	(3)	(3)
1965.....	12.7	6.1	4.7	9.9	18.4	6.9	45.3	9.4	8.2	10.2	10.7	6.9
1966.....	13.5	8.1	6.6	12.0	18.1	6.9	45.6	9.3	8.0	10.2	11.8	6.5
1967.....	14.0	10.4	8.3	15.5	17.4	6.4	47.2	9.7	8.4	10.8	13.3	6.2
1968.....	10.4	6.7	3.7	13.8	16.5	6.2	46.4	8.6	6.2	9.7	5.8	17.2
1969.....	10.8	4.1	2.2	8.9	16.7	5.9	49.2	7.9	6.9	8.2	12.9	10.8

¹ Amounts retained by the organizations for operating expenses, addition to reserves, and profits.

² Derived from table 17.

³ Data by type of plan before 1965 not available.

as a percent of premium income (table 21). In 1948 the retention rate for all private health insurance organizations was 30 percent; in 1969 it was 11 percent. This decline is the result of two main factors: (1) The steady drop in the retention rates of Blue Cross-Blue Shield plans, and group insurance business, and (2) the steady decline in the relative importance of insurance company individual business with its very high retention rates. Retention rates for all plans other than Blue Cross-Blue Shield and insurance company plans were the same in 1969 and in 1948. Community plans and employer-employee-union plans are lowering their retention rates and private group clinics and dental corporations are showing considerably higher retention rates.

PROPORTION OF CONSUMER EXPENDITURES MET BY INSURANCE

Thirty-seven percent of consumer expenditures for health care was met by private health insurance benefits in 1969.⁴ Excluded from this figure is the net cost of obtaining health insurance protection—the difference between health insurance premiums or subscription costs and benefits paid. For hospital care, private health insurance met 71 percent of consumer expenditures, compared with 74 percent last year, apparently inflation kicked up hospital costs faster than private insurance benefits were able to adjust. For physicians' services, the proportion met by private health insurance was 43 percent in 1969, compared with 41 percent in 1968. For other types of health care the proportion was 5 percent up from 4 percent last year.

⁴ Barbara S. Cooper and Mary McGee, *National Health Expenditures, Fiscal Years 1929-70 and Calendar Years 1929-69* (Research and Statistics Note No. 25), Office of Research and Statistics, December 14, 1970.

Except for hospital care, the proportions of expenditures met by private health insurance continue the upward trend of previous years, as shown below.

Year	Total	Hospital care	Physicians' services	Other types of care
1950.....	12.1	34.6	12.0	(1)
1955.....	21.5	51.8	25.0	(1)
1960.....	27.7	63.7	30.0	1.3
1961.....	29.9	66.2	32.7	1.7
1962.....	30.9	68.2	33.0	1.9
1963.....	31.7	67.2	33.6	2.1
1964.....	31.5	68.1	32.2	2.3
1965.....	32.4	70.2	32.7	2.5
1966.....	32.0	67.6	33.8	2.8
1967.....	33.3	71.9	35.8	3.8
1968.....	36.7	74.3	40.7	4.3
1969.....	37.4	71.2	42.6	5.0

¹ Included in physicians' services.

The estimates of consumer expenditures for health care include some items that are not covered by health insurance—nonprescribed drugs, various drug sundries, and sunglasses. Whether the difference in cost between private and semiprivate accommodations, when not medically required, should be included as a health insurance item is sometimes questioned. This expense is, of course, one that many purchasers of insurance want covered. If these types of health care expenditures were to be deducted from consumer health care expenditures, the proportion of such expenditures met by insurance would be probably 3 or 4 percentage points higher than shown above.

In 1969, private payments by consumers—out of pocket and through private health insurance—made up approximately 63 percent of the total national expenditures for personal health care, as estimated by the Office of Research and Statistics. The remainder came mainly from public funds, with a small proportion from philanthropy. Of the total estimated expenditures for personal health care, private health insurance met 24 percent in 1969, and 23 percent in 1968.