87th Congress
1st Session

COMMITTEE PRINT

BASIC FACTS ON THE HEALTH AND ECONOMIC STATUS OF OLDER AMERICANS

A STAFF REPORT

TO THE

SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE

JUNE 2, 1961

Printed for the use of the Special Committee on Aging

U.S. GOVERNMENT PRINTING OFFICE
70500° WASHINGTON : 1961

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington 25, D.C. - Price 15 cents

SPECIAL COMMITTEE ON AGING

PAT McNAMARA, Michigan, *Chairman*

GEORGE A. SMATHERS, Florida
CLAIR ENGLE, California
HARRISON A. WILLIAMS, Jr., New Jersey
OREN E. LONG, Hawaii
MAURINE B. NEUBERGER, Oregon
WAYNE MORSE, Oregon
ALAN BIBLE, Nevada
JOSEPH S. CLARK, Pennsylvania
FRANK CHURCH, Idaho
JENNINGS RANDOLPH, West Virginia
EDMUND S. MUSKIE, Maine
EDWARD V. LONG, Missouri
BENJAMIN A. SMITH II, Massachusetts

EVERETT McKINLEY DIRKSEN, Illinois
BARRY GOLDWATER, Arizona
NORRIS COTTON, New Hampshire
FRANK CARLSON, Kansas
WALLACE F. BENNETT, Utah
PRESCOTT BUSH, Connecticut
JACOB K. JAVITS, New York

HAROLD L. SHEPPARD, *Staff Director*
WILLIAM G. REIDY, *Professional Staff Member*
JOHN GUY MILLER, *Minority Staff Member*

LETTER OF TRANSMITTAL

Hon. PAT MCNAMARA,
Chairman, Special Committee on Aging,
U.S. Senate, Washington, D.C.

DEAR SENATOR MCNAMARA: Transmitted herewith is the report by the committee staff on the special health problems of the aged, their economic status, and the extent and nature of hospital insurance protection for this segment of the American population.

It is presented for consideration and comment by the committee, and for general use by the Members of the Senate.

In preparing this report, the staff of the Special Committee on Aging was assisted by various offices of the Department of Health, Education, and Welfare.

HAROLD L. SHEPPARD,
Staff Director, Special Committee on Aging.

CONTENTS

BASIC FACTS ON THE HEALTH AND ECONOMIC STATUS OF OLDER AMERICANS

I. THE SPECIAL HEALTH CONDITIONS OF THE AGED

National Health Survey

The findings of the U.S. Public Health Service's National Health Survey, published in the *Health Statistics* series, reveal clearly the differences in health conditions between the population aged 65 and over, and the under-65 population. For example:

1. The proportion of aged persons with chronic illness (such as heart disease, cancer, diabetes, arthritis, etc.) is about twice the proportion of persons under the age of 65 with chronic illness—77 percent versus 38 percent.

2. While the aged constitute about 9 percent of the total population, they make up more than 55 percent of all persons with limitations due to chronic illness.

3. The lower income aged in particular have a high proportion of limitation of activity due to chronic illness: 82 percent of the over-65 population with family incomes under $2,000 have such limitations in activity, as against 75 percent of the aged with family incomes $4,000 or more—and less than 40 percent for the total younger population.

4. The proportions of the aged with one or more chronic conditions range from a low of 74.7 percent in the Middle Atlantic States to a high of 82.0 percent in the South Atlantic States.

TABLE 1.—*Percent distribution of persons 65 years and older with one or more chronic conditions by geographic division, July 1957–June 1959*

Regions	Percent with one or more chronic conditions	Regions	Percent with one or more chronic conditions
All regions	77. 3	South Atlantic	82. 0
New England	75. 5	East South Central	80. 4
Middle Atlantic	74. 7	West South Central	79. 2
East North Central	74. 9	Mountain	80. 3
West North Central	79. 4	Pacific	76. 4

Source: U.S. National Health Survey, Series C, No. 6.

University of Michigan Study

The Study of Character and Effectiveness of Hospital Use conducted by the University of Michigan, while confined to the analysis of hospital inpatients in that State alone, nevertheless reliably portrays the general differences between the older and younger patients in types of ailments leading to hospital admission, as table 2 indicates.

TABLE 2.—*Percentages of patients in each age group and by diagnostic categories*

[General and special hospitals combined, excluding newborn]

Diagnosis	Age of patient	
	Under 65	65 and older
Diseases of circulatory system	5.7	18.5
Nervous system and sense organs	3.1	10.9
Malignant neoplasms	2.1	9.4
Diseases of digestive system	6.3	8.9
Accidents, poisonings, etc	6.4	6.3
Diseases of genitourinary system	6.2	5.9
Acute myocardial infarction	.7	3.9
Fracture of neck of femur	.2	3.6
Bones and organs of movement	2.5	2.9
Diabetes mellitus	.9	2.8
All other diagnoses	65.9	26.9
Number of cases	(9,252)	(1,444)

Source: Hospital Use Study, University of Michigan, 1958.

This table shows only the 10 most frequent diagnostic categories among aged hospital patients. *These 10 most frequent diagnoses account for nearly three-fourths of all the aged patients,* in contrast to only one-third of the under-65 group. Indeed the first five diagnoses—circulatory diseases, nervous system, malignant neoplasms, digestive system ailments, and accidents—account for more than one-half of all the aged patients in the Michigan study.

Six of the diagnoses quite clearly set off the aged from the under-65 hospital population:

Diseases of the circulatory system: the rate among the aged is more than 3 times that for the under-65 hospital population.

Nervous system and sense organs: rate among the aged more than 3 times that for the other ages.

Malignant neoplasms: more than 4 times the rate among the under-65 hospital population.

Acute myocardial infarction: more than 5 times the rate among the younger inpatients.

Fracture of neck of femur: more than 18 times the rate among the under-65 hospital patients.

Diabetes mellitus: more than 3 times the rate among the younger patients.

TABLE 3.—*Average length of stay in each of 10 most frequent diagnostic categories among the general population and the aged (Michigan, 1958)*

[Days]

Diagnostic category	All ages	65 to 69	70 and older
All diagnoses	7.5	13.2	14.1
Diseases of circulatory system	10.6	12.6	15.0
Nervous system and sense organs	10.1	12.5	17.6
Malignant neoplasms	[1] 16.5	17.5	15.4
Diseases of digestive system	9.0	14.6	9.5
Accidents, etc	6.6	8.4	10.7
Diseases of genitourinary system	7.1	17.0	10.6
Acute myocardial infarction	19.7	18.9	14.7
Fracture of neck of femur	27.5	30.7	53.0
Bones and organs of movement	9.0	14.3	9.6
Diabetes mellitus	12.9	12.5	14.0

[1] Distributed mostly in 45–64 age group, with 18.8 average days.

Source: Hospital Use Study. University of Michigan.

II. MEDICAL SERVICES UTILIZATION AND COSTS OF THE AGED

A. GENERAL HOSPITALS

Aged people go to the hospital more often and stay longer than those at younger ages. As a result, the number of days per year spent in a general hospital is two to three times as large, on the average, for persons 65 and over as for younger persons.

National Health Survey

General utilization rates.—The National Health Survey found the following differences for persons over and under 65 discharged from short-stay general hospitals in 1957–58:

	Persons under 65	Persons 65 and over
Discharges per 1,000 persons	97	121
Average length of stay in days	7.8	14.7
Aggregate days per 1,000 persons	764	1,778

Utilization in last year of life.—This survey considerably understates the hospital utilization of aged persons because it excluded the hospitalization experience during the survey year of persons who had died prior to the interview. The hospitalization of decedents is of considerable significance in total hospital utilization by the 65 and over group with its relatively high mortality rate.

A special report of the National Health Survey ("Hospital Utilization in the Last Year of Life") based on data from surveys in the Middle Atlantic States, shows that the inclusion of hospitalization received by decedents during the survey year results in an increase of 14 percent in the volume of hospitalization among persons of all ages, and an increase of 42 percent for persons 65 and over.

Survey of OASDI Beneficiaries

General utilization rates.—The 1957 survey of OASDI beneficiaries found somewhat more days of general hospital care for persons 65 and over during a year—2,360 per 1,000 aged persons. The difference results in large part from the fact that the National Health Survey includes the aged persons still in the labor force, who are less likely to be hospitalized. The beneficiary survey figure, moreover, includes time spent in a general hospital by persons who were otherwise in an institution, whereas the National Health Survey is restricted to the noninstitutional population.

70500°—61——2

Following is the distribution of hospitalized aged beneficiaries (11.1 percent of the total) by total number of days in hospital, regardless of number of stays within the year:

Number of days in hospital during year:	*Percentage distribution*
All aged persons hospitalized	100.0
1–30 days	81.9
31–60 days	12.4
61–90 days	3.2
91 and over	2.5
120 days and over	1.7
Average days of care per year	21.2

The survey showed that every fourth or fifth beneficiary who spent any time in a general hospital during the year had more than one admission.

Terminal illness costs.—The BOASI 1957 beneficiary survey also gives some indication of the heavy volume of hospitalization which may characterize a person's last illness. Although no data were obtained for nonmarried beneficiaries dying during the survey year, data were obtained for the small number of persons who died leaving a spouse drawing a retired worker's benefit. Among the couples where a spouse (usually the wife) had died, three times as many had one or both members hospitalized during the year as among those where both partners survived the entire year. The average known medical cost for the year was 2⅓ times as high for the couples with one member dying as when both lived through the entire year.

B. LONG-STAY INSTITUTIONS

In addition to their high rate of general hospital use, aged persons are heavy users of nursing homes and other long-stay institutions. Much of this care is publicly financed.

Relatively little is known about admission rates and length of stay in the chronic-care facilities because most population surveys exclude persons in institutions, as did the National Health Survey.

Aged OASDI Beneficiaries

The 1957 BOASI survey, however, did obtain information on the length of time spent by aged beneficiaries in an institution during the survey year.

For every five beneficiaries in a general hospital, there was one who was in a long-stay institution for chronic care.

The average stay in such chronic-care facilities was much longer than in a general hospital, however. In the aggregate there were close to 2 days in a long-stay institution for every 1 day in a general hospital.

Kind of institution	Number in institution per 1,000 beneficiaries	Aggregate days per 1,000 beneficiaries
General hospital	111	2,360
Long-stay institution	23	4,480
Nursing home	13	2,760
Other	10	1,720

It is not known for how many of the beneficiaries in nursing homes the care was primarily residential and custodial, and for how many it was skilled nursing and medical care. But it is known that nearly a third of those reporting nursing home care also spent some time in a general hospital—outside the home—during the year.

C. PHYSICIANS' VISITS

Frequency of Visits

Information on the rate at which older persons consult a physician, compared with those younger, is available from the National Health Survey for the 2-year period July 1957–June 1959.

> On the average, the aged person saw a doctor at the rate of 6.8 visits a year as against 4.8 visits per person for the rest of the population.

Income and Visits

The rate of visits for older persons would probably be greater if all sought and received as much medical care as they need.

One of the limiting factors in persons getting all the care they need is ability to pay:

> At family incomes of less than $2,000 (including income of any relatives in the household as well as that of the aged person himself), aged persons averaged 6.5 visits per year.
>
> At family incomes of $7,000 or more, aged persons averaged 8.7 visits per year.

This means that at the higher income an aged person had 4 visits to a doctor for every 3 by a person in the lower income group, a differential greater than that prevailing among the rest of the population.

This differential exists even though the aged with lower family income were considerably more likely to suffer chronic and disabling conditions, and hence need more physician care, than the aged with higher incomes:

> At family incomes of less than $2,000, 48 percent had a chronic condition limiting activity; the average number of bed-disability days was 16.5 per year.
>
> At family incomes of $7,000 or more, 37 percent had a chronic condition limiting activity; the average number of bed-disability days was 10.8 per year.

These factual data suggest a serious questioning of the frequent assertion that all the aged obtain all the medical attention they may need.

Place of Visit

Doctors' visits, as defined in the National Health Survey, included consultation by telephone or in person, at the office, hospital clinic, or other health facility as well as in the patient's home.

Possibly because some older persons requiring a physician's services find transportation a problem—

> Twenty-two percent of doctors' visits for older persons took place in the home compared with only 8 percent for persons under 65.

Usually a doctor's regular fee is higher for a house call than for an office visit. This is perhaps a partial explanation of why a recent study by the Health Information Foundation found:

> Private outlays for physicians in behalf of persons 65 and over averaged almost twice as much per person per year (in 1957–58) as for persons under 65—$55 and $29, respectively.

D. PER CAPITA EXPENDITURES

Although opinions differ as to the standard against which to measure resources of the aged, it is generally agreed in the case of medical care that their lower than average income is accompanied by higher than average need—the more so since they are less likely than younger persons to have health insurance.

Health Information Foundation Report

According to the Health Information Foundation's survey, persons aged 65 and over spent over twice as much per person for medical care in a year as do persons under 65. This includes only private expenditures of the noninstitutional population—leaving out the heavy costs for terminal illness among aged persons living alone, the cost of care in nursing homes, mental or tuberculosis hospitals, and other institutions (much of which is publicly financed). Left out also is the value of care provided at no charge to those individuals who cannot pay.

Annual private expenditures for medical care per person, by age, 1957–58

	Under 65	Age 65 and over
Total	$86	$177
Physicians	29	55
Hospitals	19	49
Drugs	18	42
Dentists	14	10
Other	6	21

Source: Health Information Foundation.

It has been estimated that if allowance were made for the amounts spent by private individuals for medical care of the aged in nursing homes and other institutions, and for medical expenses incurred in their last illness by the aged living alone, the per capita medical care expenditures by all persons 65 and over would rise to $187.

Per Capita Total Expenditures, Public and Private

It has been estimated that 1957–58 public expenditures for medical care for the aged (exclusive of care in tuberculosis and mental hospitals) were $650 million. Philanthropic expenditures for this care are estimated to be $150 million. Thus, the total per capita medical care expenditures for persons 65 and over in 1957–58, omitting care in tuberculosis and mental hospitals, were about $240.

The erratic incidence of illness is one of the factors that aggravates the medical burden, particularly for the aged. Average medical cost figures conceal wide variations in expenditures and give no indication of the very heavy burden that may come to an individual with illness requiring hospitalization. A hospital stay usually means that total medical bills for the year are relatively high. No one can foresee just when he is likely to have to enter a hospital.

Per capita cost figures can be meaningless to the individual faced with the cost of hospitalization. While others in his age group may spend nothing, he may be called on to pay thousands.

E. HOSPITAL STAYS AND MEDICAL BILLS

Survey of OASDI Beneficiaries

At least one member in every fifth aged couple entitled to OASDI benefits spent some time in a hospital during the year, according to the 1957 survey of beneficiaries. For half of the couples with a hospitalized illness (excluding those reporting free service or other unknown costs), the total medical bills incurred amounted to over $700, more than the cost of a modest food budget for the year, compared with $150 for couples with neither member hospitalized.

Nonmarried beneficiaries tend to be older and to need more hospital and other institutional care than the married. In 1957, more than 1 in 7 spent some time in a hospital, nursing home, or other institution. Median medical costs amounted to $600 for all such beneficiaries, and $500 counting only those who spent some time in a short-term general hospital. The distribution of medical bills is shown below:

[Percent]

Costs incurred in year	OASDI couples		Nonmarried beneficiaries	
	With hospital stay	No hospital stay	With hospital stay	No hospital stay
Under $100	1	39	2	60
$100 to $199	4	21	9	18
$200 to $399	13	23	15	12
$400 to $599	17	7	10	2
$600 to $999	16	3	14	1
$1,000 or more	28	1	22	1
Unknown [1]	20	5	28	6
Median	$700	$150	$600	$80

[1] In most cases, included some "free" care; i. e., no bills rendered to anyone, or vendor paid directly by public assistance or other agency.

Since 1957, the date of the survey, rates for all medical care items have gone up by 14 percent, and rates for hospital rooms by 22 percent, so that total medical bills for beneficiaries requiring hospitalization would be noticeably higher today.

University of Michigan Study

The University of Michigan Hospital Use Study also provides us with important data concerning the average total hospital charges for patients of different ages in each diagnostic category. The following table shows the average charges for the 10 most frequent diagnostic categories among the aged and the under-65.

TABLE 4.—*Average total hospital charges for patients in selected diagnostic categories among the aged and the under-65 patients (Michigan, 1958)*

Diagnostic categories	Age of patient		
	Under 65	65 to 69	70 and older
All categories (excluding newborns)	$217	$404	$396
Diseases of circulatory system	276	339	398
Nervous system and sense organs	252	315	460
Malignant neoplasms	585	602	505
Diseases of digestive system	292	523	342
Accidents, etc	196	199	329
Diseases of genitourinary system	217	607	383
Acute myocardial infarction	653	556	411
Fracture of neck of femur	764	840	671
Bones and organs of movement	275	388	284
Diabetes mellitus	374	376	334

Table 5 provides some typical component charges for selected hospital services diagnoses for aged patients, and for all patients under 65.

TABLE 5.—*Average charges for selected hospital services for patients (all types of hospitals combined—excluding newborn)*

Selected hospital services	Both sexes		65 to 69 years		70 years and over	
	Under 65	65 and over	Male	Female	Male	Female
Total hospital bill	$217	$399	$416	$389	$410	$383
Accommodation charges	117	228	237	224	226	226
Total ancillary services	100	171	179	165	184	157
Laboratory	22	38	44	38	38	35
Drugs, dressings, medical-surgical supplies, and oxygen	35	69	72	62	80	64
X-ray	12	23	30	20	22	22
EKG and BMR	2	6	6	4	6	6
Number of cases	(9,210)	(1,443)	(279)	(264)	(443)	(457)
Weighted percent of sample	88.0	11.1	2.3	2.1	3.1	3.6

Source: University of Michigan.

Means of Meeting Medical Bills

The OASDI beneficiaries who had a hospital stay had a harder time meeting their medical bills than other beneficiaries.

Among beneficiaries spending some time in a general hospital during the survey year, only 57 percent of those married and 38 percent of the nonmarried were able to meet all medical bills for the year by themselves (over and above any costs met by insurance). Of the rest, some went into debt, and a sizable number received help from relatives, public assistance, or other public or private agency.

Among the married beneficiaries having either member hospitalized—

> 15 percent had some medical costs assumed by public assistance and other agencies or furnished without charge;
>
> 21 percent ended the year owing more unpaid medical bills than they had at the beginning.
>
> Corresponding figures for the entire group of beneficiary couples are 8 percent and 6 percent, respectively.

Among nonmarried beneficiaries who spent some time in a general hospital—

> 29 percent had to rely on public assistance and other agencies or care without charge;
>
> 12 percent ended the year in heavier medical debt than at the beginning.
>
> Corresponding figures for the entire group of nonmarried beneficiaries are 11 percent and 3 percent, respectively.

Hospital Insurance Meets Only Part of Medical Costs

Protection against hospitalization costs is the most common form of health insurance. Persons who are hospitalized, therefore, are more likely to have some of their medical bills met by insurance than persons not hospitalized:

> Roughly half of the beneficiaries in a general hospital sometime during 1957 had some of their total medical bills paid by insurance, compared with about one-eighth of all beneficiaries.
>
> Only 14 percent of the couples, and 9 percent of the nonmarried beneficiaries, with medical expenses, had part or all of their expenses covered by insurance.

But even among those hospitalized, many find their insurance covers only part of total medical costs in a year, as illustrated by the following table for aged OASDI beneficiaries who had insurance and went to a hospital (general or long-stay) during 1957.

Portion of year's total medical costs met by insurance	Beneficiary couples [1]	Nonmarried beneficiaries
None	16	13
Less than ½	57	54
½ or more	22	25
Unknown	5	8
Total	100	100

[1] 1 or both members hospitalized.

Inasmuch as persons spending time in a hospital during the year are likely also to have some out-of-hospital medical care unrelated to the stay, it is not surprising that most hospitalized beneficiaries would incur costs over and above those their hospital insurance would take care of.

With respect to the hospital episode itself, for those who received care in a general hospital during the year and who knew both the total bill rendered and the amount met by insurance, the aggregate insurance payments covered about two-thirds of the charges by the hospital itself and one-fifth of surgeon's and other doctor's fees.

A word of explanation is in order, however, about the sizable number of hospitalized beneficiaries whose insurance covered no portion of their bills, as shown in the table.

Among the couples, whereas the medical costs refer to both members, the hospital stay and insurance status may refer to either or both. For about 15 percent of all insured couples, only one partner was covered. It sometimes happened that the one who had the hospital stay was the one without the insurance, and thus none of the couple's bills would be met. Among nonmarried beneficiaries, the large number whose hospital episode was in a long-stay rather than a general hospital is a factor, since usually it is only for the latter that any charges are met. About 1 in 5 of all nonmarried beneficiaries hospitalized were in a nursing home or other chronic care institution and not in a general hospital.

For some of the hospitalized insured—married and nonmarried both—it was the limited benefits provided by their insurance that caused the difficulty. Either the specific illness was excluded from coverage, or the general hospital stay was too short (or the deductible too large) for the insurance to go into effect.

In this connection, it should be noted that few, if any, health insurance programs pay for stays in a nursing home.

National Health Survey, 1958–60

In the 2 years between June 1958 and July 1960, approximately one-half of all the hospitalized aged—as compared with more than two-thirds of patients of all ages—who were discharged had all or part of their bills from short-stay hospitals paid by insurance.

Tables 6 and 6a present further details of the National Health Survey's study of the role of private insurance in meeting the costs of hospital expenses. The appendix provides greater details, relating to types of conditions among hospitalized persons over and under 65 years of age.

TABLE 6.—*Annual discharges from short-stay hospitals: Proportion of the hospital bill paid for by insurance according to age and sex, civilian noninstitutional population, United States, June 1958–July 1960* [1]

Sex and age	Total hospital discharges	Not paid by insurance		Paid all or in part by insurance	Proportion paid by insurance				Unknown whether paid by insurance
		In Federal hospitals	In non-Federal hospitals		Under ½	½–¾	¾ or more	Unknown proportion	
BOTH SEXES	Number of discharges in thousands								
All ages	19,875	666	5,604	13,315	1,015	2,145	9,721	435	289
0 to 4	1,534	55	470	978	43	153	755	28	31
5 to 14	1,910	57	362	1,467	60	204	1,178	26	25
15 to 24	3,456	164	1,375	1,858	158	280	1,369	50	59
25 to 34	3,823	119	1,020	2,649	244	411	1,930	64	35
35 to 44	2,872	97	538	2,196	131	362	1,645	58	41
45 to 54	2,246	59	405	1,765	117	246	1,325	77	25
55 to 64	1,851	62	452	1,307	81	250	907	70	30
65 to 69	766	39	236	473	63	103	280	27	18
70 to 74	627	26	258	332	57	72	183	20	10
75 plus	790	30	455	291	63	65	150	14	15
65 and over	2,183	95	949	1,096	183	240	613	61	43
	Percent of total discharges								
All ages	100.0	3.4	28.2	67.0	5.1	10.8	48.9	2.2	1.4
0 to 4	100.0	3.6	30.6	63.8	2.8	10.0	49.2	1.8	2.0
5 to 14	100.0	3.0	19.0	76.7	3.1	10.7	61.7	1.4	1.3
15 to 24	100.0	4.7	39.8	53.8	4.6	8.1	39.6	1.5	1.7
25 to 34	100.0	3.1	26.7	69.3	6.4	10.8	50.5	1.7	0.9
35 to 44	100.0	3.4	18.7	76.5	4.6	12.6	57.3	2.0	1.4
45 to 54	100.0	2.2	18.0	78.6	5.2	11.0	59.0	3.4	1.1
55 to 64	100.0	3.3	24.4	70.6	4.4	13.5	49.0	3.8	1.6
65 to 69	100.0	5.1	30.8	61.7	8.2	13.4	36.6	3.5	2.3
70 to 74	100.0	4.1	41.1	53.0	9.1	11.5	29.2	3.2	1.6
75 plus	100.0	3.8	57.6	36.8	7.8	8.2	19.0	1.8	1.9
65 and over	100.0	4.4	43.5	50.2	8.4	11.0	28.1	2.8	2.0

NOTE.—Detail may not add to totals due to rounding.

[1] The data are derived from the Health Interview Survey of the National Health Survey. The general methods are described in "Health Statistics—Hospitalization," Series B, No. 7, Public Health Service Publication 584-B7.

Frequencies (number of discharges) less than about 75,000 have relative sampling errors in excess of 20 percent. There are hazards, therefore, in quoting isolated figures of low frequency, such as "for 65,000 discharges of persons age 75 and over ½ to ¾ of the hospital bill was paid for by insurance."

Percentage figures in these tables have comparatively low sampling errors, rarely exceeding 2 or 3 percentage points.

One may place increased confidence in logical trend figures, or in consolidated figures for, say, hospital discharges of persons 65 years of age and older.

Separate cells of the tables may not add precisely to the totals for a row or column, due to rounding.

The data do not include persons who died during the year. Although this would affect rates of hospital utilization, it probably has little effect on the proportions of hospital bills paid for by insurance.

The figures presented are annual averages, based upon 2 years of data collection from June 1958 to July 1960. They are, therefore, based upon a sample size of approximately 235,000 persons.

TABLE 6a.—*Portion of short-stay hospital bill paid for by insurance, by age of insured patient*

Portion paid by insurance	All ages	25 to 34	45 to 54	55 to 64	65 and older
Less than ½	7.6	9.2	6.6	6.2	16.7
½ to ¾	16.1	15.6	14.0	19.1	21.9
¾ or more	72.9	73.1	75.1	69.4	55.9
Portion unknown	3.4	2.1	4.3	5.3	5.5
Total	100.0	100.0	100.0	100.0	100.0

NOTE.—Based on data from National Health Survey, June 1958–July 1960.

Taken together, these two tables indicate (1) that a smaller proportion of the aged than of the young who are hospitalized have all or part of their bill paid by insurance, and (2) that even among those hospitalized aged with insurance, the portion of their bill paid by such insurance is typically lower than in the case of younger insured patients.

Thus, about two-fifths of the insured aged patients were covered for less than three-fourths of their hospital bill, in contrast to less than one-fourth of all patients covered for the same portion of the hospital bill. The percentage of aged insured patients covered for less than half of their bills is more than twice the percentage for the total population of insured patients, 16.7 percent versus 7.6 percent.

University of Michigan Study

The Michigan study reveals not only that total hospital charges increase with age, but that out-of-pocket hospital expenditures increase with age and older persons pay a larger proportion of such charges "out of pocket" with no help from insurance.

Among the patients aged 25–44, hospital charges averaged $215; insurance was a source of payment in 76.7 percent of the cases and in only 13.6 percent did the patient alone pay his bill. For those 45–64, with bills averaging $359, insurance was used by 78.1 percent in the payment of the bill and only 12.2 percent met the costs completely out of pocket. On the other hand, 24.8 percent of those aged 65 to 69 and 39.8 percent of those 70 and older paid their own bills, with only 64.3 percent and 39.0 percent, respectively, having insurance to help pay bills that averaged around $400.

While the younger adults paid out of pocket less than 30 percent of their average bills, nearly half (46.4 percent) of the bills of the 65–69-year-old patients and two-thirds (65.1 percent) of the bills of the oldest patients were paid out of pocket, that is, over and above benefits provided by insurance or other sources. (See table 7a.)

When patients had part of their costs paid by Blue Cross-Blue Shield, the proportion of the hospital bill that they themselves paid was about the same regardless of age (11–15 percent) and despite the much higher bills for the aged. When commercial insurance paid part of the bill, on the other hand, the older patients were left with higher proportions to pay out of pocket (34.1 percent at ages 56 to 69 and 30.9 percent at 70 and older in contrast to 18.6 percent for patients 25 to 44 and 22.9 percent for the 45 to 64 age group).

TABLE 7.—*Percentages of patients, by age, 25 and over, whose hospital bill was paid by source of payment (general and special hospitals combined)*

Sources of payment	Age of patient			
	25 to 44	45 to 64	65 to 69	70 and older
Patient alone	13.6	12.2	24.8	39.8
Patient *and* Blue Cross-Blue Shield	21.8	30.6	30.5	16.1
Patient *and* commercial policy	12.6	11.8	9.0	7.1
Patient and Blue Cross-Blue Shield *and* commercial	.2	.3	.3	.1
Patient, Blue Cross-Blue Shield, *and* other source	4.6	6.3	4.9	3.9
Patient, commercial, *and* other	.8	1.2	.7	.3
Patient and other source	2.0	1.6	2.9	4.6
Subtotal	55.6	64.0	73.1	71.9
Blue Cross-Blue Shield *and* commercial policy	.3	.8	.3	.3
Blue Cross-Blue Shield *and* other	5.8	4.5	3.0	2.3
Commercial *and* other	.5	.2	.6	.7
Blue Cross-Blue Shield, commercial, *and* other	.1	(1)	.3	
Blue Cross-Blue Shield alone	20.5	15.5	11.1	6.2
Commercial alone	9.7	7.0	3.6	2.2
Other source alone	7.7	7.9	8.0	16.6
Source not available	(1)	.2		
Total	100.0	100.0	100.0	100.0
Number of cases	(3,140)	(2,367)	(522)	(862)

[1] Less than 0.1 percent.

Source: University of Michigan Study of Character and Effectiveness of Hospital Use, 1958.

TABLE 7-a

Age	Average hospital bills	Percent of cases with insurance paying some or all of bill	Percent of cases in which total bill was paid by patient alone	Percent of cases in which patient paid some or all of bill	Average percent of bill paid by patient alone or in part
25 to 44	$215	76.7	13.6	55.6	28.7
45 to 64	359	78.1	12.2	64.0	27.7
65 to 69	406	64.3	24.8	73.1	46.6
70 and older	399	39.0	39.8	71.9	65.1

TABLE 8.—*Average total hospital bill for patients, age 25 and over, by source of payment, and percentage of bill paid by patient, when involved (general and special hospitals combined)*

Sources of payment	Age of patient							
	25 to 44		45 to 64		65 to 69		70 and older	
	Total bill	Percent by patient	Total bill	Percent by patient	Total bill	Percent by patient	Total bill	Percent by patient
A. Patient alone	$155	100.0	$265	100.0	$309	100.0	$338	100.0
B. Patient, Blue Cross-Blue Shield	243	10.6	367	12.1	411	14.9	408	14.4
Patient, commercial policy	208	18.6	322	22.9	337	34.1	292	30.9
Patient, Blue Cross-Blue Shield, and commercial	218	13.0	641	14.0	155	[1] 47.4	1,606	[1] 9.5
Patient, Blue Cross-Blue Shield, and other	371	7.9	647	14.2	608	16.8	547	12.2
Patient, commercial and other	442	25.1	660	15.3	807	[1] 31.8	819	26.4
Patient and other source	265	56.5	608	48.7	1,091	86.7	905	82.1
Average for A and B		28.7		27.7		46.6		65.1
C. Blue Cross-Blue Shield and commercial	177		389		[1] 290		[1] 1,011	
Blue Cross-Blue Shield and other source	231		352		323		295	
Commercial and other source	328		[1] 740		[1] 365		[1] 366	
Blue Cross-Blue Shield, commercial, and other	[1] 410		[1] 210		[1] 1,209			
D. Blue Cross-Blue Shield alone	176		263		303		336	
E. Commercial alone	170		273		179		161	
F. Other source alone	251		454		627		457	
All sources	215		359		406		399	

[1] Less than 10 cases.

Source: University of Michigan.

Table 7 shows the sharp difference between the proportions of aged and younger patients paying their entire bill by themselves. Among the 65–69 age group, nearly 25 percent did so, and for the 70-year-old and over group, nearly 40 percent paid their bill alone.

Blue Cross-Blue Shield paid all or part of the bills of the different age groups in the following percentages of cases:

	Age of patient			
	25 to 44	45 to 64	65 to 69	70 and older
Percent of age group with hospital bills paid in full or in part by Blue Cross-Blue Shield	53.3	58.0	50.4	28.9
Percent of Blue Cross-Blue Shield patients whose hospital bill paid in full by Blue Cross-Blue Shield policy	38.4	26.7	22.0	21.4

But even among the patients protected by Blue Cross-Blue Shield the proportions of them whose bills were paid entirely through this type of plan decline as their age increases. While nearly two-fifths (38.4 percent) of the younger adult patients with Blue Cross-Blue Shield protection had their hospital bills paid entirely through this source, only about one-fifth (21.4 percent) of the oldest patients had their bills paid entirely through Blue Cross-Blue Shield.

The fact that such younger patients had smaller average hospital bills, in the first place, in contrast to the bills of the older patients with "Blue" policies—$176 for those 25–44, $263 for those 45–64, $303 for those 65–69, and $336 for those 70 and older—explains substantially why this should be the case. Once more, it points up the limitations and obstacles to adequate private insurance protection for the aged, even under what is generally agreed to be the best of such protection, namely, Blue Cross-Blue Shield.

Commercial insurance policies paid all or part of the bills of the different age groups in the following percentages of cases:

	Age of patients			
	25 to 44	45 to 64	65 to 69	70 and older
Percent of age group with hospital bills paid in full or in part by commercial policy	24.2	21.3	14.8	10.7
Percent of commercial-policy patients whose hospital bill paid in full by commercial policy	40.1	32.8	24.3	20.6

Among those patients with commercial policies, just as in the case of the Blue Cross-Blue Shield policyholders, the proportions with bills paid entirely through commercial policies decline sharply with age, with approximately the same proportions, two-fifths of the younger adult patients versus one-fifth of the oldest patients.

F. AGGREGATE EXPENDITURES

Public and Private Expenditures for the Aged

The estimated total public and private expenditures for medical care of the aged in fiscal year 1957–58 were about $3.9 billion, comprised as follows:

	Millions
Private expenditures	$3,895
Individual payments	2,805
Philanthropy	150
Public expenditures	940

The total today (1961) would be closer to $4.4 billion for public and private medical care expenditures for the aged.

Public Expenditures

Public medical care expenditures for aged persons represent close to one-fifth the expenditures for all age groups even though the aged represent less than one-tenth of the population. Some aged persons receive medical care under public assistance programs designed for this age group, and others receive care under public programs not restricted to a specific age group. The most important of the latter are those for veterans and the State and local hospital systems.

Estimated public expenditures for 1957–58 (exclusive of care in tuberculosis and mental hospitals) are:

	Millions
Total	$650
Hospital care	390
Nursing home care	195
All other	65

Current estimates indicate that the public funds used for medical care of the aged in 1957–58 are as follows (including care in tuberculosis and mental hospitals):

	Millions
Total	$940
Veterans' Administration	140
Public assistance	265
Other	535

These expenditures were distributed by type of service roughly as follows:

	Millions
Hospital care	$600
Nursing home care	240
Other services	100

III. INCOME AND ASSETS OF THE AGED

A. MONEY INCOME AMOUNTS

Different studies use different definitions of the income unit, and so come up with somewhat different distributions of income. However, no matter what the income series cited, it is likely to show some 50 to 60 percent of the persons aged 65 and older have less than $1,000 total cash income for the year.

Census Studies

Data from the Bureau of the Census for aged persons, and for families with aged head, are the most comprehensive. They show for the year 1959, the latest available:

Of 15.3 million *persons* 65 and over (not in instututions)—
55 percent had less than $1,000
23 percent had $1,000 to $2,000
9 percent had $2,000 to $3,000
13 percent had $3,000 or more

Data for individuals have the limitation that they don't indicate how many persons depend on the income. In the case of married couples, some of the income attributed to the husband must go for support of his wife, who may be under 65. Similarly, some wives dependent on their husbands will be shown as having little or no income. However, less than one-fifth of all persons 65 and over are married women, and many married couples have less than $2,000 between them. Therefore, even if the reported income data were adjusted to reflect an equal sharing by husband and wife, the percent of persons 65 and over having less than $1,000 would be very little less than shown.

Of 6.2 million *families* with head 65 and over—
Half had less than $2,830
One-fourth had less than $1,620

These incomes were for the support of 2.6 members, on the average, totaling about 9.3 million aged and about 6.7 million younger persons. Often, the younger relative contributes a substantial share of the family's income.

Of 3.6 million aged persons living alone or with nonrelatives—
Half had less than $1,010
Four-fifths had less than $2,000

There were in addition 2.3 million aged persons living in the home of a younger relative who are counted in the figures for "persons," but who are not included in this family income analysis. Such aged persons in the main are not financially independent, and usually have lower incomes than those who live in their own household as the head or spouse of the head.

The low income of the aged stems from the fact that most are no longer employed, and retirement benefits or other sources of income in retirement are usually lower than earnings. Thus the 1 in 5 aged men who were employed full time the year round in 1959 had a median total income of $3,980, 2½ times that of all other aged men. Aged women working full time all year averaged income 3¾ times that of all aged women, but such workers represented only 1 in 25 women 65 and over.

BOASI Survey

The BOASI survey of aged beneficiaries in 1957 indicated a median income for retired couples of $2,250, and for nonmarried men and women of about $1,170 and $990, respectively. A survey today would show higher incomes—first, because of the general increase in benefit levels put into effect in 1959 and, second, because the pattern of steadily rising earnings results in a higher benefit award to aged beneficiaries newly coming on the OASI rolls.

A rough calculation of the effect of these changes on the income of retired couples in current payment status at the end of 1959 suggests that the median would be about 10 percent higher than in the 1957 survey. OASI beneficiaries as a group exclude those at the top of the income range, i.e., the relatively few still working full time, and those at the bottom, i.e., those with no income at all from earnings or any public programs.

B. MONEY INCOME SOURCES

Where the Aged, as a Group, Get Their Income

Of the estimated 17 million persons 65 and over at the beginning of 1961, almost 11 million or well over three-fifths were receiving benefits from the OASDI program. A total of 2.3 million were on old-age assistance, of whom close to three-fourths of a million received assistance to supplement their OASDI benefit. Relatively few of the aged are employed and, of those still at work, most receive OASDI benefits as well as earnings.

The extensive overlap among the various income sources of the aged is shown by the following figures for December 1960:

Of these aged persons in December 1960—

- 4.1 million had earnings (3.2 million earners and 0.9 million nonworking wives of earners).
  - 3 million were simultaneously receiving public benefits or assistance;
  - 1.5 million were not yet receiving OASDI, but could have drawn benefits were it not for these earnings.
- 10.8 million received OASDI benefits.
  - 2.2 million had earnings as well as benefits;
  - 0.7 million received assistance to supplement their benefits;
  - 1.3 million had payments from another public retirement or veterans' program;
  - 6.6 million had no earnings or payments under other public programs.

1.7 million had veterans payments; 1.0 million had benefits from public employee retirement systems and 0.6 million had railroad retirement benefits.
  1.3 million of those under these programs also received OASDI;
  0.6 million had earnings.
2.4 million received public assistance.
  1.7 million were primarily dependent on this source;
  0.7 million received assistance to supplement OASDI.
1.5 million had no income from employment or public programs.

State Differences

OASDI, while a major source of income in all States, is received by a somewhat smaller proportion of the aged in the South and Midwest than in the more industrialized States. These variations among States, shown in table 9 as of March 1960, should continue to decrease as the extensions of coverage in recent years have their full effect.

C. LIQUID ASSETS

Older persons are more likely than younger persons to have some savings, but in general those with the smallest incomes are the least likely to have other resources to fall back on. Moreover, most of the savings of the aged are tied up in their homes or in life insurance, rather than in a form readily convertible to cash.

TABLE 9.—*Persons aged 65 and over: total and number receiving OASDI, OAA, or both, per 1,000 aged population by State, March 1960*

[In thousands]

State	Total population aged 65 and over (Apr. 1, 1960)	Number per 1,000 persons aged 65 and over receiving—			
		OASDI, OAA, or both	OASDI [1]	OAA	Both OASDI amd OAA [2]
United States [3]	16,559.6	716	616	141	41
Alabama	261.1	807	511	378	82
Alaska	5.4	749	574	268	93
Arizona	90.2	666	558	155	47
Arkansas	194.4	773	533	284	44
California	1,376.2	695	598	186	89
Colorado	158.2	727	545	299	117
Connecticut	242.6	727	693	60	26
Delaware	35.7	686	661	36	11
District of Columbia	69.1	521	489	45	13
Florida	553.1	686	601	126	41
Georgia	290.7	758	480	333	55
Hawaii	29.2	675	634	51	10
Idaho	58.3	738	650	127	39
Illinois	974.9	690	634	76	20
Indiana	445.5	731	684	63	16
Iowa	327.7	691	613	106	28
Kansas	240.3	688	598	119	29
Kentucky	292.0	746	589	193	36
Louisiana	241.6	797	429	517	149
Maine	106.5	761	693	110	42
Maryland	226.5	616	584	42	10
Massachusetts	571.6	738	667	139	68
Michigan	638.2	761	696	97	32
Minnesota	354.4	706	608	134	36
Mississippi	190.0	813	497	421	105
Missouri	503.4	747	583	232	68
Montana	65.4	700	627	107	34
Nebraska	164.2	677	606	92	21
Nevada	18.2	632	566	143	77
New Hampshire	67.7	742	697	72	27
New Jersey	560.4	711	688	34	11
New Mexico	51.3	652	480	209	37
New York	1,687.6	697	665	49	17
North Carolina	312.2	726	594	156	24
North Dakota	58.6	695	596	125	26
Ohio	897.1	715	644	100	29
Oklahoma	248.8	761	486	362	87
Oregon	183.7	752	692	93	33
Pennsylvania	1,128.5	700	668	44	12
Rhode Island	89.5	765	722	75	32
South Carolina	150.6	733	531	217	15
South Dakota	71.5	715	617	126	28
Tennessee	308.9	697	538	179	20
Texas	745.4	725	498	297	70
Utah	60.0	714	615	132	33
Vermont	43.7	741	657	130	46
Virginia	289.0	631	585	51	5
Washington	279.0	760	654	178	72
West Virginia	172.5	745	642	114	11
Wisconsin	402.7	739	677	89	27
Wyoming	25.9	676	595	127	46

[1] State data estimated from distributions for December 1959 and June 1960.
[2] Data for February or March 1960.
[3] Excludes data for aged beneficiaries living in Guam, Puerto Rico, Virgin Islands, and foreign countries.

All Aged Spending Units

Liquid asset holdings.—According to the Federal Reserve Board Survey of Consumer Finances, of some 8 million "spending units" with head aged 65 or more in early 1959:

29 percent had no liquid assets, i.e., bank accounts or savings bonds
17 percent had $1 to $500
21 percent had $500 to $2,000
33 percent had $2,000 or more

Liquid assets in relation to income.—Among spending units with head 65 or over, the 1959 survey found:

When income was less than $3,000 (70 percent of the total)
47 percent had less than $200 in liquid assets
44 percent had assets of $500 or more
When income was $3,000 to $5,000
21 percent had less than $200 in liquid assets
70 percent had assets of $500 or more

Marketable securities.—Only 11 percent of the aged spending units owned corporate stocks and bonds or marketable government securities in early 1957 when this question was last studied by the Federal Reserve Board, and virtually all of these stockholders were among the group that already had over $2,000 in other liquid assets as defined above.

Aged OASDI Beneficiaries

Data from BOASI Beneficiary Survey in 1957 show even more clearly than the Federal Reserve Board statistics that relatively few of the elderly have accumulated substantial savings they can draw on readily, and these few are more often the ones with already high incomes than those with the low.

The Beneficiary Survey data are more inclusive than the Federal Reserve Board data in two respects: (1) They include aged persons living in the home of a younger relative—who are not identified as aged in the data for spending units; (2) they also count in with liquid assets any corporate stocks and bonds and mortgage notes as well as the cash in the bank and savings bonds in the Federal Reserve Board surveys.

Thus, in 1957 among aged OASDI beneficiary couples:

28 percent had no liquid assets at all; an additional 12 percent had less than $500.

Among "nonmarried" (widowed, divorced, never married) beneficiaries:

43 percent had no liquid assets; an additional 13 percent had less than $500.

Aside from their own utility as a resource to fall back on, assets can be income producing and thus in themselves raise total money income.

When beneficiary couples were classified by the amount of their OASDI benefit—

Among those at the minimum, only 1 in 4 had as much as $75 in income from assets for the year;
Among those near the maximum, more than 1 in 2 had as much as $75 in income from assets for the year.

D. LIFE INSURANCE

Life insurance is a fairly common form of asset or saving, although less so among the aged than among younger families. The policies of the aged have a relatively low face value, however, and some of them have no cash surrender value, so that the proceeds could be used more to finance burial costs or pay some of the bills outstanding after a terminal illness than to meet costs of current medical care.

Holdings of Aged Spending Units

Fifty-six percent of the spending units with aged head owned a life insurance policy in early 1957, compared to 79 percent of all spending units. (The value was not obtained.)

Holdings of Aged OASDI Beneficiaries

Among OASDI beneficiaries studied in the fall of 1957, 71 percent of the married couples and half of the other aged beneficiaries carried some life insurance. The median face value was $1,850 for the policies carried by couples and less than half as much for nonmarried beneficiaries.

Following are the proportions holding policies with a face value of $5,000 or more, on the one hand, and less than $1,000 per person ($2,000 for a couple) or no insurance at all:

Aged beneficiaries	None or under $1,000 per person	$5,000 or more
	Percent	*Percent*
Married couples	68	9
Single retired workers	77	2
Aged widows	85	1

E. HOMEOWNERSHIP

Equity in a home is the most common "saving" of the aged and represents the major portion of their net worth. Like other forms of saving, homeownership is more common among those with higher incomes.

Aged Spending Units

In early 1959, 66 percent of the nonfarm "spending units" headed by a person 65 and over owned their homes. Of these homes, 83 percent were clear of mortgage debt.

Among aged spending units with liquid assets of less than $200, half lived in rented quarters or with relatives. Among aged spending units with liquid assets of $200 or more, more than two-thirds owned their home.

Aged OASDI Beneficiaries

Just about 2 out of 3 married OASDI beneficiaries and 1 out of 3 of the nonmarried studied in 1957 owned a nonfarm home. Most of these homes were mortgage free, but the equity was relatively modest:

> Among OASDI beneficiaries owning nonfarm homes late in 1957, the median equity was about $8,000 for couples and widows, about $6,000 for single retired workers.
>
> Nearly 8 out of 10 of the beneficiary couples with income of $5,000 or more, but fewer than two out of three with less than $1,200, owned their homes.

While homeownership can mean lower out-of-pocket costs, it does not mean living rent free. Data from the 1957 beneficiary survey indicate that urban couples keeping house alone in a paid-up home averaged about 30 percent less for taxes, upkeep, and utilities than the average outlay for rent, heat, and other utilities by couples renting their living quarters. The BLS, using similar data, estimates the saving at one-third.

F. NONCASH INCOME

Many aged persons have noncash resources and income, usually an owned home. Such "nonmoney" income enables those who have it to enjoy better living than their money resources alone could make possible, but it does not necessarily release an equivalent number of dollars for purchasing goods and services, such as health care.

The 1957 BOASI beneficiary survey gives some indication of the number of aged who have noncash incomes but not of its dollar value.

In 1957, 4 out of 5 OASDI couples and 3 out of 5 nonmarried beneficiaries had some form of nonmoney income—an owned home or rent-free housing, food home grown or obtained without cost, or medical care for which no one in the household paid. Some with no noncash income received some support from the children or relatives with whom they lived.

Homeownership as Noncash Income

Assuming homeownership is always profitable, some two-thirds of all beneficiary couples and one-third of the nonmarried beneficiaries derived income from their home. Actually, about 20 percent of the homeowners reported current housing expenses for the year that exceeded the estimated rental value of the home.

Roughly every third homeowner reported noncash income from another source as well, usually food. Homeowners, as would be expected, are more likely to have a garden and other opportunities to raise food. Such food makes for a better and more interesting diet, but the net saving in food costs is likely to be something less than dollar for dollar.

Other Sources of Noncash Income

For one-eighth of all couples and about one-fourth of the other aged beneficiaries, the noncash income was solely from sources other than homeownership.

A fourth of the couples in all and a tenth of all other aged beneficiaries had some home-produced food.

Clothing gifts were negligible, but 1 in 9 couples and 1 in 6 nonmarried beneficiaries received some medical care at no cost to them.

G. MEASURES OF NEED—BUDGET COSTS

The Revised Budget for a Retired Couple

Budget costs of a "modest but adequate" level for a retired elderly couple in 20 large cities in autumn 1959 have been estimated by the Bureau of Labor Statistics for a retired man and wife in reasonably good health for their age, requiring no unusual medical or other services, and keeping house by themselves in a small rented unit. This budget is a revised and updated version—to take account not only of rising prices, but of changing consumption patterns—of the Budget for an Elderly Couple developed by the Social Security Administration in 1948.

Budget costs in late 1959

	In terms comparable to the original Social Security Administration budget, the total cost of goods and services ranges from $2,390 in Houston to $3,110 in Chicago, as shown by the following figures:	In terms comparable to the current budget for a city worker's family of 4, costs are somewhat higher because that standard includes a small allowance for auto expense and a more expensive list of food items:
Atlanta	$2,467	$2,720
Baltimore	2,571	2,840
Boston	3,067	3,304
Chicago	3,112	3,366
Cincinnati	2,698	2,925
Cleveland	3,011	3,244
Detroit	2,865	3,096
Houston	2,390	2,641
Kansas City	2,802	3,034
Los Angeles	2,851	3,111
Minneapolis	2,906	3,135
New York	2,812	3,044
Philadelphia	2,684	2,909
Pittsburgh	2,842	3,102
Portland, Oregon	2,792	3,049
St. Louis	2,858	3,099
San Francisco	2,949	3,223
Scranton	2,492	2,681
Seattle	2,990	3,252
Washington, D.C.	2,770	3,047

Situations in which the budget does not apply.—The living arrangements assumed for the budget describe the situation of only a minority of elderly people today. The more typical couple lives in a home they own rather than rent. How the cost range should be adapted for those in small cities and towns, and for the large number of widowed, divorced, or single older people who live alone or share the home of a relative, is still an open question. All the estimates are derived from averages. Thus they cannot be used for the "unusual" family, and even a "usual" family can have an unusual year. A family with more than average sickness or a long hospital stay would be "unusual" in terms of this budget.

Budget as a measure of income adequacy.—On the whole, the budget costs appear relatively high compared with the actual income of the elderly even when allowance is made for the estimated savings in housing costs that many have as homeowners.

Relatively few couples with incomes less than the cost of the budget standard would have sufficient savings and other assets readily convertible into cash to make up the difference. On the other hand, how much families need and how they spend their money are highly individual matters of balancing resources and preferences. For a retired couple, how well they are able to live before and the inventory of goods now on hand play an important role.

Current income data from the Bureau of the Census are not available for aged couples living alone. However, on the basis of a special analysis for 1956 of income data for aged couples living alone for those living with relatives, and for other families with aged head, the median income in 1959 of all elderly couples living alone in urban areas may be estimated at roughly $2,600–$2,800 in 1959.

Thus, the cost of maintaining an elderly couple, in reasonably good health for their age and living alone in a rented dwelling in a large city may have been beyond the reach of more than half of them. Low-

ering the budget to a range of $2,100–$2,700 to allow for the estimated amount of housing costs that many of the couples would save as homeowners would reduce the number for whom the budget standard would be more than income could provide, but this number would still be considerable.

Budgets for one.—Many of the aged, particularly older women, live by themselves, not with a spouse. There is currently no reference standard for an elderly person living alone comparable to the budget for a couple.

Pending further research, the relationship of the cost of living for a single individual to that for a couple must remain uncertain. For some categories of the couple's budget determined separately for each member—such as clothing, recreation, or medical care—there is already a built-in divider. For food it is possible to use the adjustments suggested by the Department of Agriculture for its food plan which forms the basis for the food component of the budget.

For other components, as indeed for the total budget cost, there is no readily accepted adjustment factor. There is likely to be general agreement, however, that the least suitable approach is a simple division by two. For some items, such as housing, it is probably necessary to assume that the cost for a single individual will be but little less than for two.

The Bureau of Labor Statistics has developed a scale, based on the relation between food expenditures and income, according to which the income required for an elderly person living alone would be 59 percent of that for an elderly couple living at the same standard. This factor represents an averaging of income-expenditure patterns for families throughout the entire range of income.

Further study will most likely show that the higher the income, the greater the differential for shared living that should be presumed in estimating costs for an individual from those for a couple. When incomes are low and consumption is already close to the marginal level, it may cost only a little less for an aged person alone than it does for two.

But accepting as a workable estimate the BLS-suggested 59 percent ratio would bring estimated costs for an elderly person considerably above average means:

> On this basis a "modest but adequate" standard for an elderly person living alone would take from $1,410 to $1,835 in the 20 cities studied. But median income for unrelated individuals aged 65 or over living in cities was $1,140 in 1959.

H. TAX PROVISIONS FAVORING THE AGED

The Treasury's tax policies recognize the special problems encountered by older persons. It is apparent, however, that as with savings, homeownership, and similar resources of the aged, one usually must be in a relatively favorable income situation to begin with in order to have the advantage.

No overall appraisal is available of the extent to which State and local taxes affect the aged. Of the 35 States that levy personal income taxes, 17 allow additional deductions for the aged.

Tax Relief for Older Persons

Federal income tax laws grant substantial relief to older people or to members of their family who are responsible for their support:

The filing requirement for persons 65 and over is $1,200 compared with $600 for other persons.

Older people who are blind may get in addition the extra exemption of $600 allowed blind people.

Social security and railroad retirement benefits are exempt from tax, as are modest amounts in other pensions, annuities, dividends, etc., under the special retirement income credit provision of 1954.

Thus, with the 10 percent standard deduction, a husband and wife both 65 can have up to $2,675 income, in addition to their OASDI or railroad retirement benefit and any other retirement income credit, tax free.

Furthermore, for medical expenses other than drugs, older people in computing their tax may deduct full costs, unlike the younger persons who are limited to expenses in excess of 3 percent. A provision enacted in 1960 will afford this same right to children with respect to medical expenses incurred in behalf of aged dependent parents.

Federal Tax Savings for Older Taxpayers

It is estimated that, in 1960, more than $0.5 billion in taxes was saved by the 7 million older persons claiming the double personal exemption.

Over $100 million in taxes was saved by the retirement income credit.

About $100 million of taxes was saved by the more than 1.5 million older persons who benefit from the more liberal treatment of medical expenses for older persons. (In 1958, aged taxpayers itemizing their medical expenses were able to deduct 97 percent of these expenses compared with 64 percent for taxpayers under 65.)

Aged Persons Subject to Federal Tax

Further liberalization of income tax laws could have relatively little benefit for the large majority of elderly persons since so few are at present subject to tax. It would be possible, of course, to ease the burden for such younger persons as now are responsible for the support of dependent parents and other aged relatives who do not themselves file a return.

Of the approximately 15 million persons 65 and over in 1957, only 6.5 million filed a return (or had one filed for them), and only 3.2 million of these returns were taxable. This means that fewer than 1 in 5 persons 65 or over is now having to pay a Federal tax on his income.

IV. VOLUNTARY HEALTH INSURANCE

A. THE TREND IN COVERAGE

Hospitalization and medical care insurance has increased substantially for all population groups during the past 20 years, with respect to both the risks covered and total enrollment. Nevertheless, fewer aged persons than others have health insurance although their coverage has expanded in recent years faster than that of the general population. Furthermore, statistics show that those aged who would be likely to have the greater difficulty in meeting their own medical bills—namely, the retired, those with low incomes generally, or those with major chronic health problems—are less likely to have the advantage of any health insurance coverage.

Total Coverage

Today, less than half (46 percent) the aged have any insurance against hospitalization costs—the most common form of health insurance—compared with over two-thirds (67 percent) of the population under 65. In 1953 barely one-third of those 65 and over had hospitalization insurance.

One reason for the lower proportion of insured older persons is the unavailability, until recently, of group insurance after retirement. Other factors are the higher premiums for the aged and the absence of employer sharing of premium costs as is the case for many working people.

Differing Estimates of Insurance Coverage

Data on health insurance coverage derive from two sources, namely, household interviews and enrollment reports by insuring organizations. The latter, compiled by the Health Insurance Council, are generally higher than those based on family interviews—e.g., 73 percent versus 67 percent of the total population having hospitalization insurance in January 1960. The council's allowance for dual-policy holders may be too small. In any case, reports by the council are not available separately by age groups.

The tabulation below compares the two types of estimates for 3 recent years.

Percent with hospitalization insurance

HOUSEHOLD SURVEYS			HEALTH INSURANCE COUNCIL	
	65 and over	*All ages*		*All ages*
July 1953	31	57	January 1953	60
July 1958	43	65	January 1958	72
January 1960	46	67	January 1960	73

The beneficiary survey, another household survey, found that about 43 percent of the aged beneficiaries on the OASDI rolls had hospitalization insurance in late 1957.

B. FACTORS RELATED TO INSURANCE COVERAGE

Income and Coverage

It is difficult to determine a direct connection between older persons' income and the likelihood of their entering a hospital during a year. But there is a definite relationship between income and the degree of protection for meeting possible hospital bills. Those with relatively low income, likely to have most difficulty in paying the large bills that hospitalization can bring, are also least likely to have the advantage of insurance.

Aged OASI beneficiaries.—Among OASI beneficiaries in 1957, the median income of those with no hospitalization insurance was about 30 percent lower than that of those with insurance.

Two out of three married couples with income of $5,000 or more had insurance. This is over three times the proportion for couples with income under $1,200.

Among nonmarried beneficiaries, only one-fourth with income under $600 were insured, compared with two-thirds of those with income $3,000 or more.

Total aged population.—The National Health Survey found in the latter part of 1959 that—

When total family income of the person 65 and over (including both his own income and that of all other family members) was under $2,000, only 33 percent of the aged had hospitalization insurance;

When income was $4,000 or more, 59 percent had hospitalization insurance.

Age and Coverage

As might be expected, among those 65 and over, there is a variation with age in the percent who have hospital insurance. According to the National Health Survey—

Among persons 65–74 years, 53 percent had some protection against hospital costs;

Among persons 75 years or over, 32 percent had some protection against hospital costs.

Work Status and Coverage

Aged persons still in the labor force are more likely than those fully retired to have some health insurance, partly because employment means higher income, and partly because employment makes them eligible for group coverage.

Among the relatively few aged reporting themselves as usually working, nearly 2 out of 3 (64 percent) had some hospital insurance; but among those not usually working, less than half (42 percent) had hospital insurance in the latter part of 1959.

Health Status and Coverage

Aged persons in relatively poorer health—at least by their own designation—are less likely to have hospital insurance.

Of those reporting themselves in the National Health Survey as having no chronic conditions, or only conditions that did not curtail activity, 53 percent had hospital insurance;

Of those reporting themselves unable to carry on their major activity, only 30 percent had hospital insurance.

Income and Premium Payments

The University of Michigan Population Survey of 1958, while confined to that State alone, nevertheless indicates the general pattern of amounts of monthly premiums paid for health insurance by all families and by aged family heads, in relation to family income adjusted for size of family. The survey shows, for example, that few, if any, of the low-income aged pay more than $14 for monthly premiums, in contrast to nearly 8 percent of the high-income aged.

TABLE 10.—*Total monthly premiums paid by all families, and by heads 65 and over, by income (Michigan, 1959)*

Total monthly premiums paid by family on policies verified as health insurance policies in force	All families	Aged head, by adjusted income [1]		
		Under $1,050	$1,050 to $2,499	$2,450 and over
	Percent	*Percent*	*Percent*	*Percent*
Pays no premiums on verified insurance	23.5	56.6	43.0	28.6
$1 to $4	6.9	9.1	10.1	9.4
$5 to $9	21.9	12.2	15.8	29.8
$10 to $14	19.7	12.1	16.6	9.9
$15 to $19	4.8	1.0	4.4	6.2
$20 to $24	1.2	(1)	1.1	(1)
$25 to $29	.7	(1)	(1)	(1)
$30 or more	.9	(1)	(1)	1.5
Family has verified health insurance in force, but no information on amount of premium available	7.4	3.0	2.3	6.5
No verified health insurance policies in force, but 1 or more policies reported where no verification possible	13.2	6.0	6.8	8.1
Total	[2] 100.2	100.0	[2] 100.1	100.0

[1] Adjusted income is family income per equivalent adult, with children under 12 and second adult counted as ½ an adult each.
[2] Figures do not add to 100.0 because of rounding.

Region and Coverage

Insurance protection against the costs of hospitalization among the aged varies from one part of the Nation to the other:

Among those aged 65–74 in 1959, the proportions with some kind of hospital insurance ranged from 43.8 percent in the South to 60.9 percent in the North Central States;

For those persons 75 years old and over, the proportions ranged from 29.6 percent in the South to 36.9 in the North Central States.

TABLE 11.—*Percent of aged persons with hospital insurance according to region, July–December 1959*

Age	U.S. total	Region			
		Northeast	North Central	South	West
All ages	67.1	75.2	73.9	56.1	61.6
65–74 years	53.2	58.4	60.9	43.8	44.0
75 years and over	32.5	32.3	36.9	29.6	30.1

Source: *Health Statistics*, U.S. National Health Survey, Series B, No. 26.

C. TYPE OF COVERAGE

Insuring Organizations

Of the aged who have hospitalization insurance, according to the National Health Survey,

43 percent are covered by Blue Cross or Blue Shield;
7 percent have a Blue plan and some other insurance;
49 percent are insured through a commercial insuror or an independent plan;
1 percent are of unknown type.

At present, there are some 1,200 insuring organizations actively in the health field in the United States, including 737 insurance companies, 78 Blue Cross plans, 68 Blue Shield plans, and over 300 other plans. Most of these provide benefits for the aged through some means, if only through carrying persons past the age of 65 within groups primarily composed of younger persons. However, enrollment data are not available from most companies.

Limited Enrollment

As for possible coverage of retired workers by private employers, certain significant limitations have been discovered in a survey conducted by Fortune magazine, as reported in its July 1960 issue:

> There are some very stringent limitations on virtually all the industry plans studied by Fortune. Plans to which companies contribute heavily have, on the whole, high eligibility requirements—20 years of employment at Swift, 15 at Jersey Standard and Standard of California. In most plans, including those paid for by the retired worker himself, benefits are substantially lower for retired than for active workers. Ordinarily, major medical policies available to active employees cannot be extended into retirement, even at an individual premium rate. A clause automatically canceling a dependent wife's benefits when a retired worker dies is almost universal. In some plans, medical expenses incurred by the retired worker are deducted from the face value of his company-sponsored life insurance.

Many insurance organizations will not enroll persons aged 65 and over. For example, as of early 1961, only about half the Blue Cross plans accepted initial nongroup enrollment from persons over 65, either through nongroup certificates with no age limit or through senior certificates.

Under all accident and illness insurance policies issued by commercial companies, the total amount of benefits paid out to persons of all ages in 1958 was about 72 percent of all premium payments by policyholders. For individual policies only, less than 50 percent of each premium dollar was returned to the individuals in the form of benefits, in 1958.

Furthermore, most policies for older persons do not provide guarantees of life protection, convertibility upon retirement, renewability, noncancelability, or of no subsequent restrictions.

Limited Benefits

Many of the insurance policies available to the aged offer limited benefits under limited conditions. Examples of the coverage available in 1960 are:

Blue Cross-Blue Shield Plans

A. *Blue Cross Nongroup Certificates with No Age Limit.* (Generally these plans provide service benefits; the major exceptions are noted.)

1. *Oakland, Calif.*—21 days of care in ward accommodations (three or more beds); payment for oxygen and drugs up to $10 plus 50 percent of balance.

Annual rates:	Single male	$35.40
	Single female	45.00
	Family	87.96

2. *Florida.*—31 days of care in room and board accommodations up to $12 per day; payment for drugs and medicines at 50 percent of the first $100 and all charges in excess of $100 up to $500, with maximum payment not to exceed $450; payment for laboratory services excluding section examinations and pathological examinations; payment for X-rays at 50 percent of the first $100 and all charges in excess of $100 up to $500, with maximum payment not to exceed $450.

Annual rates:	Single	$46.80
	Family	97.80

3. *Maryland.*—30 days in semiprivate accommodations.

Annual rates:	Single	$51.60
	2 persons	103.20
	Family	108.00

4. *Wilkes-Barre, Pa.*—21 to 37 days of care per year (depending on how long subscriber has been a member of the plan) in semiprivate accommodations, with a $5 deductible for the first 15 days.

Annual rates:	Single	$30.60
	1 person and child	61.20
	Family	74.40

B. *Blue Cross Senior Certificates.* (In general these provide service benefits; the major exceptions are noted.)

1. *Arizona.*—21 days of care in semiprivate (2- to 4-bed) accommodations; up to $15 per admission is allowed for diagnostic X-rays; up to $10 per admission allowed for anesthesia supplies.

Annual rate per person		$66.60

2. *Delaware.*—30 days of care in accommodations up to $16 per day, plus an additional 30 days at $10 per day for all covered services; laboratory examinations limited to $10; payment for 50 percent of regular charges for X-ray examinations.

Up to 10 visiting nurse service visits after hospitalization.
Limited nursing home benefit after hospitalization.

Annual rate per person		$59.16

3. *Des Moines, Iowa.*—30 days of care in semiprivate (2 to 4 beds) accommodations, with a deductible of $25 for the first day and $3 for each succeeding day; X-rays and laboratory services not provided.

Annual rate per person		$39.60

4. *Mississippi.*—30 days of care at up to $8 a day for accommodations and general nursing care.

Annual rate per person $66.00

C. *Blue Shield Senior Citizen Certificates.*

1. *Arizona.*—Surgical fee schedule with $313 maximum; in-hospital physicians' visits for 21 days at $8 through the 7th day and $5 for 8th–21st day; nonhospital services only for accidents.

Annual rate: Individual $31.80
Family 63.60

2. *Delaware.*—Surgical schedule with $225 maximum; in-hospital physicians' visits for 60 days at $3 a day; out-of-hospital diagnostic X-ray at 50 percent to $25.

Annual rate: Individual $18.00
Family 25.08

3. *Michigan.*—Surgical schedule with $300 maximum; in-hospital physicians' visits for 30 days at $10 for the first day and $4 for the remainder; out-of-hospital diagnostic and therapeutic X-rays and other tests.

Annual rate for individual $38.88

4. *Mississippi.*—Surgical schedule with $200 maximum.

Annual rate: Individual $12.00
Family 24.00

Commercial Insurance

The following examples of commercial insurance policies are from a report compiled by the Health Insurance Institute, and reprinted by the Chamber of Commerce of the United States, May 1960.

A. *Individual and Family Hospital-Surgical Expense Plans Guaranteed for a Lifetime.*

Many such policies are offered, *all requiring applicant to be of normal health.* Examples are:

Company	Daily room and board payments	Maximum days covered	Miscellaneous extras	Maximum surgical schedule	Annual premium at age 65 (male)
The Travelers Insurance Co	$10	50	Up to $100 for 8-day stay or more.	$200	$86.52
	15	50	Up to $150 for 8-day stay or more.	300	118.67
Aetna Life Insurance Co	10	60	$100	300	92.99
Metropolitan Life Insurance Co	10	31	$50	200	80.67
	15	31	$75	300	121.00
Prudential Insurance Co	8	35	$60	250	73.32
	16	35	$120	250	122.66

B. *Senior Citizen Hospital-Surgical Group Plans.*

These are open for membership on a Statewide basis during periodic enrollment periods. All have a 6-month waiting period for preexisting conditions, but no limitations because of physical condition. They can be canceled and premiums can be adjusted, but only on a Statewide basis.

Plan	Daily room and board	Maximum days covered	Miscellaneous extras	Maximum Surgical schedule	Annual premium at age 65 plus
65 Plus Plan, Continental Casualty.	Up to $10 a day	31	Up to $100	$200	$78
65/1 Plan, Fireman's Fund Insurance Group.	Up to $10 a day	31	Up to $100	200	78
Senior Security Plan, Mutual of Omaha.	Up to $10 a day	60	80 percent of charges above $100 to $1,000 maximum.	225	102

C. *American Association of Retired Persons Plan.*

This plan, underwritten by Continental Casualty Co. is available to association members (membership fee is $2). There is a 12-month waiting period on conditions for which the individual was hospitalized during the 12 months preceding membership in the plan. There are no limitations based on the physical condition of the applicant. Insured person is covered for his lifetime unless the national group is terminated, and rates may be adjusted only on a national group basis.

Daily room and board	Up to $10 a day
Maximum days covered	31
Miscellaneous extras	50 percent of charges to $125 maximum
Maximum surgical schedule	$200
Annual premium age 65 plus	$72

There is an optional extension of this plan to cover 50 doctor calls a year according to a rate schedule, with a $25 deductible, limited postoperative nursing home care (one-half the daily charge up to $5 a day for the first 31 days and up to $3.75 per day for the next 29 days), and extended hospital room and board ($7.50 a day for 29 additional days), with an additional annual premium of $36.

D. REASONS FOR NOT HAVING INSURANCE

Why Aged OASI Beneficiaries Do Not Have Health Insurance

Sixty-eight percent of the aged beneficiaries who did not have hospitalization insurance had never had such insurance, according to the 1957 OASI Beneficiary Survey. Thirty percent had been insured at one time, but the policy was dropped before the survey year. For 2 percent the insurance status before the survey year was unknown.

The reasons given for not having insurance were as follows:

	Percent
Aged beneficiaries never insured	100
Could not afford	41
Never thought about it	30
Not interested	18
Refused by insurance company	9
Other reason	2
Insured at one time, policy dropped	100
Could not afford	39
Group policy could not be converted at retirement	29
Not interested	14
Canceled by insurance company	13
Other reason	5

Why Aged Persons Do Not Have Health Insurance

A study conducted by the National Opinion Research Center for the Health Information Foundation found that in 1957 about half the aged persons without health insurance would have liked to have been covered, just over one-quarter had not thought about it, and just under a quarter didn't want it. Among those who wanted coverage, 34 percent couldn't afford it and 16 percent had been refused insurance or had it canceled.

About one-sixth (16 percent) of the aged surveyed in the HIF-NORC study had formerly been covered by health insurance but were not covered at the time of the survey. Among the reasons given for not continuing health insurance were:

Could no longer afford it (31 percent);
Retired or gave up working (26 percent);
Dissatisfied with policy's coverage (24 percent).
Others were:
Company discontinued plan;
No felt need; and
Job change without the policy's carrying over.

APPENDIX

TABLE I.—*Percent distribution of proportion of the hospital bill paid by hospital insurance for all hospitalized persons 65 years or older by condition*[1]

[Based on discharges from short-stay hospitals. The 1-year average for the period of July 1958 to June 1960 based on 6-month recall period]

Both sexes 65 years and over	Grand total (in thousands)	Grand total	No insurance	Yes—Insurance					Unknown if insured
				Total	Under ½	½ to ¾	¾ or more	Unknown	
All conditions	2,183	100.0	47.8	50.2	8.3	11.0	28.1	2.8	2.0
Malignant neoplasms	108	100.0	48.6	43.1	12.7	9.6	16.8	4.0	8.2
Benign neoplasms	66	100.0	41.8	56.3	8.8	17.3	30.1	0	2.0
Diabetes and other metabolic	75	100.0	62.4	37.6	7.2	14.7	15.6	0	0
Intercranial lesions and paralysis	61	100.0	35.0	60.1	8.2	6.3	24.7	20.9	4.9
Other conditions of nervous system	98	100.0	50.5	48.0	10.0	12.5	20.3	5.2	1.5
Heart disease with or without high blood pressure	254	100.0	54.9	44.6	6.7	14.5	22.6	.9	.5
High blood pressure and arteriosclerosis without heart disease	76	100.0	47.7	50.5	8.0	9.4	21.5	11.5	1.8
All other circulatory	94	100.0	31.0	65.8	13.5	6.9	42.0	3.4	3.2
Respiratory (except TB)	184	100.0	45.2	54.0	7.5	13.3	33.2	0	.8
Gastric ulcer	61	100.0	45.0	55.0	12.4	10.0	31.9	.9	0
Hernia	84	100.0	41.4	55.1	6.3	11.2	34.2	3.4	3.6
Gall bladder	101	100.0	43.8	56.2	5.1	10.2	40.9	0	0
All other digestive	117	100.0	56.5	43.5	4.8	13.9	23.7	1.2	0
Genito-urinary	249	100.0	46.8	52.1	15.0	13.7	20.9	2.5	1.1
Arthritis and other musculoskeletal	80	100.0	49.4	46.0	9.7	9.6	23.1	3.6	4.6
Fractures and dislocations	146	100.0	55.3	41.6	7.3	7.4	26.9	0	3.2
Other current injuries	107	100.0	43.2	55.4	4.1	6.2	43.2	1.9	1.3
Mental and TB [2]	46	100.0	54.2	45.8	3.1	5.5	37.2	0	0
All other conditions and observation	176	100.0	44.0	52.7	4.4	7.0	36.5	4.7	3.4

[1] (1) These tables are based upon collection of data from household respondents over a 2-year period, July 1958 through June 1960. The frequencies show the estimated annual average number of hospital discharges from short-stay hospitals for the civilian noninstitutional population of the United States living at the time of interview. The actual sample included about 235,000 persons.

(2) The condition groups shown have been consolidated from a more detailed list of conditions. It must be remembered that these are frequencies for the living population not in institutions. Therefore the frequencies for malignant neoplasms, a highly fatal disease, do not reflect the full extent of hospitalization during the year for this condition. This is true to lesser degree for other conditions as well.

Similarly, for certain conditions for which people are in institutions, such as mental conditions and tuberculosis, the figures do not include such cases as may have been in short-stay hospitals during the year.

The institutional cases are excluded by definition and therefore any short-stay hospital experience of these people is missed. To a much lesser degree cases other than mental and tuberculosis are subject to this same qualification in the data.

The above qualifications are most important in the table for persons aged 65 and older since mortality and institutional care are high in this group.

(3) Frequencies of less than 75,000 cases have sampling errors in excess of 20 percent. Therefore there are hazards in using figures of low frequencies. Less risk is attached to using percentage distributions which are part of a consistent trend or pattern within a table as a whole.

[2] Mental and TB have been grouped together because these 2 conditions usually fall into the long-stay hospital category and are not representative for this table.

Source: National Health Survey, preliminary tables prepared for Senate Special Committee on Aging.

TABLE II.—*Percent distribution of the proportion of hospital bill paid by hospital insurance for all hospitalized persons discharged from short-stay hospitals, by type of conditions, for persons under 65*

[Based on the 1-year average for the 2-year period from July 1958 to June 1960]

Both sexes under 65	Grand total (in thousands)	Grand total	No insurance	Yes—Insurance					Unknown if insured
				Total	Under ¼	¼ to ¾	¾ or more	Unknown	
All conditions	17,692	100.0	29.5	69.1	4.7	10.8	51.5	2.1	1.4
Malignant neoplasms	240	100.0	30.5	68.7	4.6	16.8	45.3	2.0	.7
Benign neoplasms	979	100.0	20.4	77.9	3.3	10.9	60.3	3.4	1.7
Diabetes and other metabolic	471	100.0	33.8	65.1	2.0	13.9	47.6	1.6	1.1
Intracranial lesions and paralysis	76	100.0	62.0	38.0	5.8	12.9	19.3	0	0
Other conditions of nervous system	454	100.0	25.5	71.7	5.0	11.9	53.3	1.5	2.8
Heart disease with or without high blood pressure	422	100.0	24.0	75.4	6.0	8.0	58.3	3.0	.6
High blood pressure and arteriosclerosis without heart disease	130	100.0	21.1	78.9	2.1	13.1	63.0	.6	0
All other circulatory	507	100.0	20.5	79.5	3.1	11.5	62.0	2.9	0
Respiratory (except TB)	2,400	100.0	20.7	77.7	3.9	11.5	60.7	1.6	1.6
Gastric ulcer	399	100.0	22.6	75.9	4.4	12.6	56.3	2.6	1.5
Hernia	432	100.0	20.5	78.0	2.7	10.2	62.2	2.9	1.5
Gall bladder	340	100.0	23.7	75.8	3.0	10.9	59.4	2.5	.5
All other digestive	1,143	100.0	25.0	73.7	2.7	9.7	57.5	3.8	1.2
Genito-urinary	1,357	100.0	23.3	75.1	4.3	12.4	56.7	1.6	1.6
Arthritis and other musculoskeletal	631	100.0	20.9	76.3	2.0	11.2	60.1	3.0	2.8
Fractures and dislocations	633	100.0	28.5	69.9	4.0	9.2	54.5	2.2	1.6
Other current injuries	977	100.0	30.0	68.4	2.6	5.1	57.9	2.8	1.6
Mental and TB	389	100.0	29.3	69.3	3.3	12.6	47.9	5.5	1.5
All other conditions and observations	1,364	100.0	33.0	65.0	4.5	10.5	48.2	1.8	2.1
Deliveries	3,681	100.0	43.5	55.5	8.5	11.2	34.9	1.0	1.0
Complications of pregnancy and puerperium	666	100.0	40.5	59.1	5.8	7.5	43.2	2.5	.4

Source: National Health Survey, preliminary tables prepared for Senate Special Committee on Aging.

TABLE III.—*Percent distribution of discharges from short-stay hospitals according to the length of stay interval and average length of stay, by type of condition, for age 65 and over*

[Based on the 1-year average for the 2-year collection period from July 1958 to June 1960]

Both sexes 65 years old and over	Grand total (in thousands)	Length of stay interval							Total number of days (in thousands)	Average length of stay
		Total	1 day	2 to 5 days	6 to 14 days	15 to 30 days	31 days or more	Unknown		
All conditions	2,183	100.0	4.1	22.6	44.1	19.4	8.8	1.1	32,623	14.95
Malignant neoplasms	108	100.0	2.8	14.8	41.7	23.4	12.3	5.0	1,832	17.00
Benign neoplasms	66	100.0	4.0	31.3	51.7	11.1	1.9	0	587	8.96
Diabetes and other metabolic	75	100.0	2.1	21.1	55.2	13.1	8.6	0	1,063	14.23
Intracranial lesions and paralysis	61	100.0	2.0	11.2	36.4	20.2	28.3	1.9	1,763	28.95
Other conditions of nervous system	98	100.0	4.7	19.2	55.5	14.2	6.4	0	1,577	16.01
Heart disease with or without high blood pressure	254	100.0	2.0	18.1	45.1	20.3	13.9	.6	4,204	16.57
High blood pressure and arteriosclerosis without heart disease	76	100.0	1.9	26.0	51.9	8.6	11.5	0	1,562	20.53
All other circulatory	94	100.0	1.0	39.1	36.8	20.4	1.8	.8	1,000	10.63
Respiratory (except TB)	184	100.0	4.6	29.2	50.6	11.9	2.9	.8	1,859	10.12
Gastric ulcer	61	100.0	0	10.1	58.9	26.5	4.5	0	858	13.99
Hernia	84	100.0	0	16.1	65.1	17.2	1.6	0	970	11.53
Gall bladder	101	100.0	3.5	6.8	49.7	27.4	12.6	0	1,739	17.25
All other digestive	117	100.0	6.3	33.5	41.3	16.9	0	2.0	967	8.26
Genito-urinary	249	100.0	2.8	18.9	44.0	27.9	6.2	.3	3,689	14.80
Arthritis and other musculoskeletal	80	100.0	1.8	30.3	27.3	20.9	15.4	4.3	1,370	17.04
Fractures and dislocations	146	100.0	9.3	17.7	29.3	21.8	21.9	0	3,414	23.44
Other current injuries	107	100.0	10.0	24.7	39.0	21.8	3.6	0	1,217	11.37
Mental and TB	46	100.0	3.1	32.1	26.8	7.4	24.7	6.0	1,217	26.32
All other conditions and observations	176	100.0	9.3	31.3	36.7	18.3	2.4	2.0	1,735	9.88

Source: National Health Survey, preliminary tables prepared for Senate Special Committee on Aging.

TABLE IV.—*Percent distribution of discharges from short-stay hospitals according to the length-of-stay interval and average length of stay, by type of condition, for under age 65*

[Based on the 1-year average for the 2-year collection period from July 1958 to June 1960]

Both sexes under 65 years old	Grand total (in thousands)	Length of stay interval							Total number of days (in thousands)	Average length of stay
		Total	1 day	2 to 5 days	6 to 14 days	15 to 30 days	31 days or more	Unknown		
All conditions	17,692	100.0	11.8	49.9	28.9	6.5	2.6	0.2	134,312	7.59
Malignant neoplasms	240	100.0	6.0	32.8	34.4	17.2	9.6	0	3,620	15.08
Benign neoplasms	979	100.0	9.5	41.8	39.9	6.9	1.9	.1	7,615	7.78
Diabetes and other metabolic	471	100.0	8.9	41.9	36.5	9.0	3.8	0	4,480	9.51
Intracranial lesions and paralysis	76	100.0	3.9	11.2	29.2	28.2	27.5	0	2,103	27.73
Other conditions of nervous system	454	100.0	10.2	43.9	32.8	9.7	2.5	.9	3,540	7.80
Heart disease with or without high blood pressure	422	100.0	5.8	20.5	31.4	30.3	11.6	.3	6,810	16.14
High blood pressure and arteriosclerosis without heart disease	130	100.0	6.3	39.1	39.0	10.0	5.7	0	1,243	9.59
All other circulatory	507	100.0	3.9	38.3	47.3	8.3	1.7	.4	5,195	10.24
Respiratory (except TB)	2,400	100.0	30.1	45.2	21.6	3.0	.1	.1	9,891	4.12
Gastric ulcer	399	100.0	10.2	32.6	43.2	11.3	2.2	.5	6,351	15.93
Hernia	432	100.0	4.2	40.8	47.9	5.4	.9	.8	3,121	7.22
Gall bladder	340	100.0	4.3	17.9	57.7	17.7	2.4	0	3,568	10.49
All other digestive	1,143	100.0	12.2	48.2	31.9	5.9	1.7	.1	7,656	6.70
Genito-urinary	1,357	100.0	8.9	47.5	34.2	7.2	2.0	.2	9,733	7.17
Arthritis and other musculoskeletal	631	100.0	7.2	33.1	43.3	10.9	5.4	.2	8,624	13.66
Fractures and dislocations	633	100.0	18.3	26.6	32.4	12.8	9.2	.6	8,095	12.78
Other current injuries	977	100.0	21.8	41.2	28.4	4.8	3.4	.4	7,030	7.20
Mental and TB	389	100.0	8.4	42.0	29.2	11.3	8.1	1.1	5,450	14.00
All other conditions and observation	1,364	100.0	10.4	43.9	29.8	10.4	5.0	.5	11,938	8.75
Deliveries	3,681	100.0	2.7	81.4	15.5	.2	.1	.1	15,721	4.27
Complications of pregnancy and puerperium	666	100.0	19.3	64.0	16.0	.5	.1	0	2,528	3.80

Source: National Health Survey, preliminary tables prepared for Senate Special Committee on Aging.

○