Organization of medical services is separated from the market price system by a combination of public and voluntary nonprofit supply factors. To achieve greater efficiency, certain aspects of the organization of supply may need revision, and a trend toward greater efficiency in supplying medical services appears in the growth of group medical practice. Although medical science is raising the quality of medical care, there has been a decline in the ratio of active physicians and dentists to the rising population. Expansion in the number of professional, technical, and auxiliary health workers matches advances in medical science, but lengthy training, low wages, and low salaries contribute to shortages of personnel and high turnover in these occupations.

The number of hospitals and hospital beds increased between 1948 and 1959. However, the number of beds per 1,000 population dropped from 9.7 in 1948 to 9.1 in 1958 and hospital utilization rose from 115 to 137 hospital admissions per 1,000 population. Almost half of existing hospital beds are occupied by mental and tuberculosis patients in State and Federal hospitals, but most hospital care for the general public is provided by short-term nonprofit hospitals. These general hospitals are community-owned or under religious or other voluntary associations which depend on hospital fees and on philanthropy for their operation. Expenses increased from $10.04 per patient-day in 1946 to $29.24 in 1958 in the voluntary short-term hospitals, primarily because of rising payroll costs.

Demand for higher levels of quantity and quality of medical care can be expected to continue. This demand will generate increasing public support for medical research, medical education, and health facilities. Rising costs of hospital care will continue to increase demand for insurance protection against hospitalization. Demands for protection against other medical care expenses will increase the comprehensivenesss and cost of health insurance.

In spite of progress in medical science, the supply of available medical care, in terms of medical personnel and medical facilities, is declining in relation to population growth and rising health consciousness. Shortages of supply exist already and will grow more serious in the future, unless there is a broad national effort of public and private support.

Such a national effort will require increased Federal assistance for medical research, medical education, and construction of medical facilities. It will require Federal aid to encourage recruitment, training, and more effective use of auxiliary health workers such as physical therapists, rehabilitation specialists, practical nurses and home aides.

Voluntary health insurance, already widespread, will become increasingly comprehensive in financing the Nation's private medical care needs. Nevertheless, the greater health care needs and lower income of the aged population will preclude private insurance plans from solving the financial side of the medical problems of this group. There will continue to be a need for some form of public participation, probably in the form of social insurance. Other health needs include development of community services to provide home care for the chronically ill and aged, and public assistance for the special problems of disabled children.