

Collective bargaining is one of the major factors contributing to the growth of health insurance coverage and medical care prepayments. In 1945 an estimated 500,000 workers were covered by prepaid health programs under collective-bargaining agreements. By 1957 more than 12 million workers were covered.¹⁵ Nonwage fringe benefits negotiated during World War II and exemption of health benefits from Korean War wage freezing encouraged growth of these industrial health prepayment programs and expansion of their coverage. As the proportion of workers covered by these programs has increased, more attention is centered on broadening the coverage of existing plans to workers' families and to retired workers. Also, more attention is given to problems of adding new benefits and raising the level of benefits.

The growth of industrial health prepayment programs and other voluntary group enrollment for health insurance reflects the new awareness of the value of medical care and awareness of the need to budget unpredictable medical costs. The demand for health insurance is part of the total demand for medical care, and they rise together as family income rises. These are underlying factors behind the rising proportions of total and individual medical care spending channeled into prepayment insurance programs, which pay an increasing part of the Nation's private medical care bill.

Health needs of older people

Older people need more health and medical care at the stage in life when they can least afford to pay for this care. Longer life spans, brought about by progress in preventive and therapeutic medicine, have changed the Nation's demand for health services, with emphasis shifting from control and treatment of communicable, infectious diseases to the chronic and degenerative diseases. The three leading causes of death at present are heart diseases, cancer, and vascular lesions of the brain—all characteristic health problems of older age groups.

Nearly 16 million Americans, or about 9 percent of the population, are now over 65 years of age. By 1970 there will be an estimated 20 million persons over 65, and, if research in disease and health problems of the aged progresses at a rapid rate, the estimate for 1970 may be raised closer to 30 million.¹⁶ People over 65 are particularly affected by the cost of medical care, since the chronic and degenerative health problems cause more long-term disability, greater need for medical services, and longer hospital stays at a time when income is sharply reduced by retirement. (See table 6.) Three-fifths of the men and women past 65 received less than \$1,000 in cash income last year.

Five major points on health needs of the elderly are listed in the summary of discussions this year before the Senate Subcommittee on Problems of the Aged and Aging:¹⁷

1. Most older people in this country do not have hospital and surgical insurance enabling them to get health services readily and at reasonable cost, although in recent years voluntary health insurance has increased among persons over 65.

¹⁵ U.S. Bureau of Labor Statistics, "Analysis of Health and Insurance Plans Under Collective Bargaining, Late 1955," Bulletin No. 1221, November 1957, p. iii.

¹⁶ U.S. Senate, Committee on Labor and Public Welfare, "The Aged and Aging in the United States, Summary of Expert Views Before the Subcommittee on Problems of the Aged and Aging," 86th Cong. 1st sess., 1959, p. 6.

¹⁷ Ibid.