The Possible Relationship of Mutual Benefit Associations to the Health of Employes*

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INSURANCE is the modern man’s solution of the problem of how to avoid being wiped out prematurely by one of the hazards of life, instead of opposing them with no more than his individual strength and resources.

The first important point I wish to make is the close connection between financial aid for the average bread winner when disabled, and the time required for his recovery. It is very obvious that privation and worry due thereto delay recovery in cases lasting only a few weeks; but there must be added to that the other risk of premature return to work under the lash of necessity, resulting from lack of aid from a sick benefit association.

It is not alone the loss of income, but frequently the special expense of treatment of the disease or the non-industrial accident causing disability which makes the situation acute. Some physicians charge as low as $1.50 for attention to an ordinary case in their own offices, but this varies up to $3.00, and visits to the patient’s home cost from $3.00 to $5.00 each. The cost of nursing service, beyond that available in the ordinary family, is prohibitive to all but those in the wealthy class; so that cases of pneumonia and similar diseases among wage earners are almost invariably removed to a hospital where adequate care can be obtained free or at a smaller cost.

Aside from the aid to recovery, the effect of employes’ mutual benefit associations upon the health of their members is strongly preventive of avoidable disablement. That is the second big point. This is brought about by sheer necessity, because in the scheme of dues and benefits the association must plan as closely as possible. The former must be low enough and the latter liberal enough to attract healthy members and keep them. Hence, a very careful and alive

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administration is essential; claims must be well proved before being paid; and, further, a critical view of the means employed to aid recovery is insisted upon in the interests of all. This leads directly to visits to the disabled, and inspection of home conditions bearing upon their health. It is common knowledge that no efforts in that direction have been exerted by lodges or friendly societies comparable to those which have been made by industry since the idea of its responsibility for the general welfare of its workers developed after the beginning of the 20th century. In fact in some instances, severe criticism of too stringent measures in that direction has been evoked.

We must recognize and avoid the pitfall of paternalism, especially in some of its obnoxious manifestations. But the fact remains that outside of the employer's interest and activity along those lines, the influence of a closely knit mutual benefit association, organized by and among the workers themselves, makes itself felt in the improvement of conditions both in the home of the worker and on the job.

The association has the great advantage of being in a position to refuse benefits where necessary improvements of that kind at home are wilfully neglected. As a direct result, members and their families become educated along lines vital to the maintenance of health. The requirement of a physician's certificate, periodically during the disability, forces people who would otherwise avoid the expense of medical attention to the detriment of their health, to employ a physician, even in short absences. The association's responsible officers know that long disabilities grow out of short disabilities, unless such a course is pursued. All this works toward the education of all of the employees of the industrial concern, in which the association exists, toward habits of health and adequate attention at the onset of disease.

I do not know of a single employees' mutual benefit association in which the employer is not directly interested to the extent of active participation in some way. In large concerns the medical department is a well established modern necessity from the employer's viewpoint; and the assistance in the development of such a department which the employees' association renders is another direct relationship between the association and the health of all the employees.

Well organized medical departments, and also mutual benefit associations of employees, seem to refer especially to big business; but small institutions can really do something along these lines if they will appoint some executive to study their own situations and work out a suitable plan along the lines of health maintenance, with the dual object of maintaining the best personnel efficiency and aiding in the individual welfare of employees.

In fact, in the ideal situation, the employer takes an authoritative
interest in each disabled employe's case, through the operation of rules governing employer's benefits paid (whether through the association or not) in such a way that the employe is fully aware of such payment. To my mind, that is vastly better than payment of the same annual total by the employer into the treasury of the association—an impersonal transaction. The right method improves morale and the relationship of employer and employe throughout the whole organization.

In summarizing the relationships of the mutual benefit association to the health of employes, it will be well to note certain features which appear to be disadvantageous and state the immediate answer to each.

APPARENT DISADVANTAGES

1. The tendency toward malingering is encouraged if benefits are too liberal; and that error should be avoided at the beginning, as it is difficult to change the basis afterward.

The general answer to this problem is that malingering is minimized by close supervision, not merely through lay-visiting, but by insistence upon reliable medical inspection, and due regard to moral hazard with reference to the known character of the disabled employe. A check on this sort of thing is to spot repeaters, and treat as recurrences frequent disabilities due to the same cause, in which case the decreasing scale of benefits removes the moral hazard.

2. There may be an apparent increase in the sickness disability rate shortly after a benefit plan has been put into operation among a large group of employes. I suggest that the answer is, in part at least, that the improved health program brings to light incipient disease which must be met by enforced absence from duty, combined with adequate treatment. There is an increased health consciousness in the group, resulting, first, in the more frequent recognition of cause for absence; but if the whole system is adequate, this merely results in better actual health conditions and improved future risks. There are more complete records of health conditions, and of disability absences by kinds and causes; but I submit that it is better to know the truth than to believe, fatuously, that we were formerly better off because more ignorant.

3. The likelihood of attracting applicants for employment not robustly healthy and who, therefore, seek employment in business concerns known to have liberal disability benefit and other welfare plans, has been noticed by writers on the subject of employes' benefit associations.

Of course, the answer to this is careful entrance examinations to prevent the hiring of those obviously unfit, in which an important feature is the use of a proper scale of physical classification, aligned definitely with the job analysis of the concern's work. If that is well done, the entrance examination will prevent the acceptance of applicants for and transfers of employes to positions they are not physically qualified to fill.

This leaves open the subject of nervous instability, which is hard to detect by physical examination; and it must be admitted that many people are hired, especially women, by concerns having large numbers of clerks, among whom some troublesome cases of nervous disability develop.
The answer to that is adequate departmental administration. By that I mean that a department manager should learn early in the history of a case of nervous instability that he has such an employee on his payroll, and he ought to be guided by ordinary business principles to eliminate that employee at a suitable time. This policy should be followed with any employee who is in any way sufficiently abnormal to remain below reasonable efficiency after having been labored with, and after having been given genuine opportunity to improve his record. Objections that may be made to this policy are mostly sentimental, because, had the condition been detectable, the entrance examination would have prevented the employment of that applicant in the first place. The association's officers will argue for the sensible administrative policy and, if possible, see that it prevails because of their direct financial responsibility to the association.

SUMMARY OF ADVANTAGEOUS RELATIONSHIPS OF THE ASSOCIATION TO EMPLOYEES' HEALTH

1. More searching and more frequent physical examinations of employes than will otherwise be made, both at the time of employment and later on, are induced through the association's policy and operation.

2. Better attention to hygienic and sanitary conditions in the employer's premises are procured.

3. Employes are induced to obtain medical attention promptly in apparently simple sicknesses instead of relying too much on "home remedies," thus shortening these disabilities and preventing their development into long ones (colds into pneumonia, etc.). Although this is a hard thing to accomplish, the cooperation of the association and the employer in demanding a physician's certificate of disability and of medical attention, if benefits are to be paid for short sickness disabilities, will succeed in this object.

4. The duration of lengthy sickness disabilities is curtailed by better medical attention, and because of less worry and privation.

5. Complete recovery before return to duty is not only permitted by the alleviation of the financial burdens of disability, but is enforced, the association compelling its members to obtain the medical department's discharge. Frequently the association officers, in cooperation with the industrial management, aid in finding appropriate light work, or part-time work, for those who would otherwise have to remain off duty still longer to avoid a relapse with its attendant evils.

6. The same advantages of policy operate directly to cut down the death rate among employes.

7. Employes whose home living conditions are below par are encouraged to improve them, and to seek better quarters, if necessary.

8. The association officers will assist in obtaining adequate treatment more speedily in lengthy cases requiring institutional care, such as tuberculosis, neurasthenia, etc.; and in obtaining, if necessary, special financial aid required for a change of climate, for example. This results in better recovery, or in enabling the member to settle in another part of the country.

9. Health records of all employes are more completely kept, and can be better studied and the needs of each and all understood. This enables general improvement by comparison of sickness experience with other associations throughout the country.

10. A very definite health program, with the active cooperation of the em-
ployer, through an adequate medical department, is included in any sound plan establishing a mutual benefit association of employes.

11. A medical department already established is encouraged to develop its work to the point of greatest reasonable efficiency by the required cooperation with the employees' mutual benefit association when it is established.

12. The health program is stimulated where it needs it most by establishing a competitive basis between occupational exposure groups. This can easily be done in large organizations where employes are engaged in widely different kinds of work by organizing the benefit association into sections, by such groups, with reference to disability funds only.

13. Health-mindedness throughout the whole organization is stimulated, and good health is promoted, by the publication of various items in the employes' magazine or newspaper illustrating the benefits of membership; and by the publication of association reports and health items prepared by the medical department.

14. Health insurance helps to create the habits of thrift in other directions, resulting in improved living conditions among the lower paid classes. Health makes thrift and thrift makes health.

15. In general, every well managed mutual benefit association, by contributing its quota to the health of its community, assists in the general social economic advancement of society. This country's loss of a quarter of a billion dollars annually, due to sickness, is largely a direct loss to productive industry. The more health insurance spreads throughout the nation, the greater our prosperity and the better off we shall all be.