

PROVINCE OF BRITISH COLUMBIA
"HOSPITAL INSURANCE ACT"

Fifth Annual Report
B.C. Hospital Insurance
Service

JANUARY 1ST TO DECEMBER 31ST
1953



VICTORIA, B.C.
Printed by DON McDIARMID, Printer to the Queen's Most Excellent Majesty
1954

PROCEEDINGS OF THE
ROYAL SOCIETY OF CANADA

1954

BC Historical Society
Vancouver, B.C.

Volume 10, Number 1

1954

Published by the Royal Society of Canada

VICTORIA, B.C., February 16th, 1954.

To His Honour CLARENCE WALLACE, C.B.E.,
Lieutenant-Governor of the Province of British Columbia.

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Fifth Annual Report of the B.C. Hospital Insurance Service covering the calendar year 1953.

E. C. MARTIN,
Minister of Health and Welfare.

B.C. HOSPITAL INSURANCE SERVICE,
VICTORIA, B.C., February 16th, 1954.

*The Honourable E. C. Martin,
Minister of Health and Welfare,
Parliament Buildings, Victoria, B.C.*

SIR,—I have the honour to present herewith the Report of the B.C. Hospital Insurance Service covering the calendar year 1953.

L. F. DETWILLER,
Commissioner, B.C. Hospital Insurance Service.

CONTENTS

	PAGE
General Introduction	7
Insurance (a)—	
The Collection of Revenue	7
Insurance (b)—	
Claims and Accounting	8
Method of Payment to Hospitals	8
Hospital Services	9
Summary	9
Organization and Administration—	
Registration and Collection—	
Payroll Division	10
Field Division	10
Tabulating Division	10
Central Accounts Division	11
Departmental Comptroller	11
Public Relations	11
Liability and Adjustment Division	12
Research Division	12
Hospital Services Group	12
Hospital Finance Division—	
Hospital Claims Section	13
Hospital Accounting Section	13
Hospital Consultation and Inspection Division, Victoria	13
Hospital Consultation and Inspection Division, Vancouver	14
Medical Consultation Division	15
Hospital Construction Division	15
General Hospital Care	16
Table IA.—Patients Discharged and Days of Care in B.C. Public Hospitals, 1949–53, and Proportion Covered by B.C. Hospital Insurance Service	16
Table IB.—Percentage of Patients Covered by B.C. Hospital Insurance Service during 1953	17
Table IIA.—Patients Discharged, Total Days' Stay, and Average Length of Stay According to Type and Location of Hospital, and Days of Care per Thou- sand of Covered Population for B.C.H.I.S. Patients Only, 1949–53	17
Table IIB.—Summary of the Number of B.C.H.I.S. In-patients and Short-stay Patients, 1949–53	17
Table III.—Patients Discharged, Total Days' Stay, and Average Length of Stay in B.C. Public Hospitals for B.C.H.I.S. Patients Only, Grouped According to Bed Capacity, Year 1953	18
Table IV.—Percentage Distribution of Patients Discharged and Patient-days for B.C.H.I.S. Patients Only, in B.C. Public Hospitals, Grouped According to Bed Capacity, Year 1953	18

Graphs—	PAGE
Principal Causes of Hospitalization, July 1st to December 31st, 1952.....	19
Average Lengths of Stay for Nineteen Major Diagnostic Categories of Illness, July 1st to December 31st, 1952.....	20
Case Fatality Rates for Nineteen Major Diagnostic Categories of Illness, July 1st to December 31st, 1952.....	21
 Statements—	
Statement of Receipts and Disbursements for the Fiscal Year 1952-53, Ended March 31st, 1953.....	22
Statement Showing Cash Reconciliation with the Public Accounts of the Province of British Columbia as at March 31st, 1953.....	23
Benefits in B.C. Hospitals, 1953.....	24
Benefits in Hospitals outside British Columbia.....	24
Classes of Persons Covered by or Excluded from the Benefits of the Hospital Insur- ance Service.....	24
Table V.—Claims for Exemption.....	25

Fifth Annual Report of the B.C. Hospital Insurance Service

GENERAL INTRODUCTION

The main purpose of the B.C. Hospital Insurance Service is to provide universal and comprehensive coverage against the cost of acute in-patient hospital care to the people of British Columbia. It exists to answer two definite needs: to protect the people of British Columbia from crippling hospital bills, and to protect the hospitals of British Columbia from a large proportion of non-collectable accounts. Sufficient proof of these needs lies in the fact that before the inception of the B.C. Hospital Insurance Service as many as 35 to 55 per cent of the patients of some hospitals could not afford to pay their bills.

Universal coverage—coverage of all—is achieved in three principal ways:—

- (1) The "Hospital Insurance Act" requires every citizen, with the exception of certain small groups, to pay hospital insurance premiums or have them paid on his or her behalf; thus all categories are included, regardless of age or physical condition:
- (2) The regulations to the "Hospital Insurance Act" allow the inclusion of a wide range of family dependents:
- (3) Groups receiving social-welfare assistance from the Provincial Government receive hospital insurance coverage paid for by the Province.

Comprehensive coverage is achieved by making available to the insured patient substantially all of the hospital's services in return for the premium paid (*see* Benefits, page 24). Benefits consist of:—

- (1) Payments at the public-ward level for acute treatment that can be obtained only in an acute general hospital:
- (2) Payments for emergency treatment (short-stay benefits); and
- (3) Payments for treatment in hospitals outside British Columbia (out-of-Province benefits).

The B.C. Hospital Insurance Service has two broad functions—insurance and hospital services. The insurance side, in turn, is broken down into two main parts, which are as follows:—

INSURANCE (a)

The Collection of Revenue

Premium Rates.—These are \$27 a year for a single registrant and \$39 a year for the head of a family and his dependents, or approximately 8 cents a day and 11 cents a day respectively.

Methods of Payment.—There are two methods of payment—payroll deduction and direct payment.

Payroll Deduction.—This has been recognized as the most practical method of collection. Over one-half of the people in British Columbia pay their premiums in this way, and expansion of the system to include as many employed persons as possible was begun in the latter half of 1953. Standard monthly deductions of \$2.25 and \$3.25 a month are made in advance through employers, and, as a result of the new payment plan introduced on July 1st, 1953 (*see* New Payment Plan, page 10), registrants are eligible for benefits during the month for which a deduction has been made; those

registrants whose premiums were paid six months in advance under the old payroll system maintain their payments and the advance protection.

Direct Payment.—Those persons not participating in the payroll deduction plan are billed direct from Victoria every six months for the following six-month insurance period, from January to June or from July to December. Registrants who have paid the premium for the current six-month insurance period by due date are eligible for benefits during that period.

The improved collection procedure, implemented in 1953, was responsible for several changes in collection policy. Effective July 1st, all arrears were suspended to enable registrants who had fallen behind with premium payments to reinstate their coverage, subject to the following waiting periods:—

- (1) Persons who have paid regularly but who miss paying their current premium by the due date are subject, upon payment of premium, to a fourteen-day waiting period before being eligible for benefits:
- (2) Persons who have not paid their premium for the previous insurance period can reinstate themselves by paying the full premium for the current insurance period. To prevent abuse of the new plan, such persons are subject to a one-month waiting period before becoming eligible for benefits.

On the same date, a new feature, "insured benefits," was introduced, to begin to take effect from January 1st, 1954. All persons who regularly pay their hospital insurance premiums build up an "insured benefits" period. One month's "insured benefits" are acquired at the end of each full-paid six-month insurance period. This will continue to build up, provided all premiums are regularly paid until a maximum "insured benefits" period of three months is attained at the end of eighteen months of premium payment. This "insured benefits" period will be available during unemployment or when direct payment of premium by the due date is not possible owing to temporary financial difficulties. All B.C.H.I.S. benefits will be available during this period.

INSURANCE (b)

Claims and Accounting

The second part of the insurance side of the Hospital Insurance Service, which is organized under the Hospital Services Group (*see* page 12), is concerned with the redistribution to the hospitals of the money collected in premiums. This is accomplished through the meeting of claims—the payment of the insured patients' hospital bills—at daily rates established under the budget system after review of hospital accounting records.

Method of Payment to Hospitals

Effective January 1st, 1951, a system of firm budgets was instituted for hospitals. Under this system, hospital estimates submitted were reviewed by the Rate Board of the Hospital Insurance Service, and, after such adjustments as were found necessary, the resulting budgets were established. Hospitals were advised that, with the exception of certain items (particularly fluctuation in days' treatment), they would be required to live within their approved budgets, and that deficits incurred through expenditures in excess of the approved budget would not be met. Calculations were made to determine the value of variable supplies used in the care of patients. The budgets were subject to adjustment upward or downward by the number of days by which the actual experience differed from the estimate, multiplied by the patient-day value of the variable supplies. In those instances where the fluctuations in occupancy were sufficiently great to entail additions to or reductions in stand-by costs, individual studies were made and budget adjustments established.

During 1953 this procedure was modified somewhat, and hospitals were required to operate on their budgets as approved for 1952 and *per diem* rates were not increased.

However, authority was given the Service to adjust a hospital's budget, up to the amount of 1953 salary increases paid to employees included in the 1952 approved budget, where such increased wage rates caused the hospital to incur an operating deficit.

Owing to the fact that all hospitals treat a certain number of non-B.C.H.I.S. patients (Workmen's Compensation Board, transients, non-insured individuals, and persons exempt from hospital insurance coverage by reason of membership in the Canadian Pacific Railway and B.C. Telephone medical plans), the Service is not responsible for the entire patient-load. The Service, therefore, pays to each hospital each month the portion of one-twelfth of the yearly budget that is represented by the B.C.H.I.S. insured days as compared to the total days' treatment. Remittances to hospitals are made twice monthly. At the end of any month each hospital is paid the approximate amount of its earnings to date for B.C.H.I.S. patients, including those remaining in hospital at the end of the month. All insured patients are required to pay \$1 for each day's hospitalization. The \$1 a day collectable from insured persons is deducted in calculating payments due to hospitals from the Service.

Hospitals collect from non-insured persons at established *per diem* rates.

HOSPITAL SERVICES

The other main function of the B.C. Hospital Insurance Service is that concerned with what the patient receives from the hospital in return for the money paid on his behalf, the standards of patient care (*see* Hospital Services Group, page 12).

The group of staff consultants who share this responsibility are organized into the following divisions:—

Hospital Finance (in addition to its activities in the insurance side of the Service):

To give advice to hospitals on problems of accounting and finance.

Consultation and Inspection: To assist hospitals with administrative and operational problems and ensure that proper standards of patient care are maintained at all times.

Medical Consultation: To review all medical matters affecting the Service under the advice and guidance of a Medical Review Board.

Hospital Construction: To give advice to hospitals in the preparation of plans for new buildings and renovations and to process applications for grants for construction and purchase of equipment.

Research:* To conduct studies of hospital occupancy and develop medical and financial information required to guide the Service regarding the hospital requirements of the people of the Province.

Liability and Adjustment:* To assist in the formation of hospital districts in areas where no municipal organizations exist and to give guidance in the review of hospital by-laws and the many related problems.

These expert advisory services are available at every stage of the construction of a hospital and in every phase of its operation.

SUMMARY

In summary, the B.C. Hospital Insurance Service protects the patient from hospital bills, both large and small, and the hospitals from a large proportion of uncollectable accounts. From the point of view of the insured citizen, maintenance of the standards of care is assured. From the point of view of the hospitals, although the Hospital Insurance Service inevitably exercises a broad over-all financial control in handling their revenue, autonomy as community hospitals is retained.

* Not organized specifically under Hospital Services Group as the work of these divisions is utilized by the whole Service.

ORGANIZATION AND ADMINISTRATION

REGISTRATION AND COLLECTION

Payroll Division

On December 31st, 1953, 5,100 firms were registered for payroll deductions and making monthly deductions of British Columbia hospital insurance premiums from their employees. Two hundred and twenty-eight thousand registrants were paying their premiums through the payroll deduction plan. This number represents protection against hospital bills for more than 500,000 persons in British Columbia.

New Payment Plan.—On July 1st, 1953, the Government eliminated the six months' prepayment of premium and the collection of premium arrears by payroll deductions. After this date, employers were billed for standard monthly premiums on a month-for-month basis in accordance with the new payment plan. Prepayments resulting from the former plan were credited to the accounts concerned. As a result of the change in procedure, there was a marked reduction in the amount of work required by employers and the Service in the administration of the payroll plan.

During the months of August and September a simplified accounting procedure was developed for payroll accounts. This new procedure involved the extensive use of punched-card methods and of tabulating equipment.

The simplified payment plan and the improved accounting and record system commenced on October 1st, 1953, permitting expansion of the payroll deduction plan in the last half of the year.

Registration of New Employees.—The intensive programme for the registration of new employers and the enrolment of their employees in the payroll plan resulted in the commencement of deductions in December, 1953, by 1,500 new employers from 35,000 employees.

Field Division

The Hospital Insurance Service was represented by the Field Division throughout the Province as follows:—

- (1) Four Hospital Insurance Service district offices, located in Chilliwack, New Westminster, Vancouver, and Victoria;
- (2) Seven collection offices, operating on a commission basis—six located in Fraser Valley communities and one at Trail;
- (3) Thirty-nine Government Agencies, where premium payments were accepted and general information was provided.

Payroll Expansion.—A programme to expand the payroll deduction plan was undertaken in September and October by the Field Division in conjunction with Payroll Division. No difficulty was experienced in enlisting the co-operation of employers.

Throughout the year this Division provided service to the general public and to all firms enrolled under the payroll deduction plan.

Tabulating Division

Major projects completed during the year were as follows:—

A wide variety of statistical reports were prepared for the Research Division. All statistical cards accumulated from the 1952 hospital discharge forms were included in these reports. Four new accounting-machines were installed, replacing older-style machines and enabling the Division to accomplish the additional punched-card accounting work necessitated by the major changes to the accounting system that were adopted in 1953. Preparation of billing files for new companies registered as a result of the payroll expansion programme was completed.

Routine work included the preparation of monthly group billings for all registrants on payroll deduction, of two semi-annual billings for all direct-paying registrants and two arrears billings for delinquents, the weekly preparation of hospital remittance lists, billings to municipalities for the *per diem* grant, and statements to patients for income-tax purposes for all hospital accounts submitted during the year, and the daily processing of cash and adjustments to provide a daily entry journal covering all accounts held by the Hospital Insurance Service.

Central Accounts Division

The past year was marked by two important administrative and organizational changes:—

- (1) The use of punched cards was extended in premium accounting in conjunction with the simplification and expansion of the payroll deduction method of collecting premiums.
- (2) A central registry was established, containing approximately 700,000 files, one for every person registered under the "Hospital Insurance Act."

The Division records all premium payments, both direct and through payroll deduction, and all exemptions (*see* Table V, Claims for Exemption, page 25), as well as maintaining an index of all persons registered under the "Hospital Insurance Act."

DEPARTMENTAL COMPTROLLER

All disbursements relative to premium refunds, payments to hospitals, advance warrants, travelling expenses, and trade accounts incurred by the Hospital Insurance Service were checked, approved, and passed for payment.

The accounting operation for the three Provincial Infirmaries was supervised, and all financial transactions relative to the construction, renovation, and equipping of hospitals were checked and recorded.

An internal audit of the Hospital Insurance Service and its collection agencies was completed. Statements relating to revenue and expenditure were prepared and issued monthly.

The premium revenue of the entire Hospital Insurance Service was checked and cashiered.

An inquiry office was operated at head office to receive premium payments and transact other hospital insurance business with the public.

The number of receipts for Payroll Division payments cashiered at head office from January 1st, 1953, to December 31st, 1953, was over 43,000. Central Accounts receipts during the same period exceeded 350,000.

Office supplies were requisitioned, furniture and equipment were maintained, and stationery inventories kept.

PUBLIC RELATIONS

The organization and execution of localized publicity campaigns, designed to "sell" the B.C. Hospital Insurance Service, was the major project of the year's activities. Radio and newspaper campaigns were conducted by staff members in Prince Rupert, Prince George, Quesnel, and Kamloops at different times during the last five months of the year.

From January to August the Service's News Letter (35,000 circulation) received priority and necessitated repeated trips into the field for the purpose of obtaining specialized material. On these occasions every effort was made to improve the Service's public relations through the media of the press, radio, and public speaking. At the request of many hospitals, detailed information was made available on such matters as opening-days, community relations, and public relations.

The bulletin was expanded in March to include hospital news in addition to the Service's administration features, and space was made available to the hospitals to

publicize their needs for, or surplus of, equipment, thereby making possible exchanges and purchases with economy and to the common advantage.

Two pamphlets were prepared for public consumption, along with advertising material for semi-annual premium-payment campaigns. Articles written and submitted, together with photographs, were from time to time published in British Columbia newspapers and the "Canadian Hospital" magazine.

An internal public-relations programme was continued.

LIABILITY AND ADJUSTMENT DIVISION

This Division prepared legislation, regulations, and Orders in Council, and was responsible for liaison between the B.C. Hospital Insurance Service and the Attorney-General's Department.

It provided a consulting service to the other divisions of B.C. Hospital Insurance Service, to ensure that a uniform interpretation of the various Acts and regulations was maintained throughout the Service.

The Division also assisted communities in unorganized territory to establish hospital improvement districts for the purpose of raising funds for hospital construction, and assisted hospitals in the review and revision of by-laws in collaboration with the Hospital Consultation and Inspection Division.

In addition, this Division collected reports on all persons involved in accidents who received hospital treatment and secured reimbursement of hospital bills paid by the Service from public-liability insurance companies and self-insured corporations under an agreement which has been in effect for some years.

RESEARCH DIVISION

During 1953 numerous studies dealing with Provincial hospital experience and requirements, sickness incidence, population trends, and income statistics were completed.

Hospital Bed Facilities.—Detailed reports were prepared on the hospital bed facilities of ten districts in order to determine the additional number which would be required to serve adequately the needs of these areas. The assessment of the hospital bed needs was based on incidence of sickness, utilization of hospital facilities within the Province by the residents, population trends, geographic location, climatic conditions, transportation facilities and costs, type of economy which supports the area, and the financial structures of the municipalities involved. Where it was felt that a particular area needed special attention, staff members visited the district concerned to gather additional information. A study to estimate the hospital bed requirements of the Lower Fraser Valley was commenced at the end of the year.

Causes of Hospitalization.—In April a statistical analysis of the causes of hospitalization among British Columbia residents was completed. The report was based on the medical data appearing on the admission-discharge forms submitted by the hospitals to the Service and represented the first attempt made by this Division to summarize the details of the individual admissions and to present them in a useful form.

Major Statistical Studies.—Other major statistical studies completed: Six population studies, twelve hospitalization experience reports, two studies on recipients of social welfare, and a study on maternity cases and new-born babies.

In addition to supplying statistical information pertaining to hospitalization and disease incidence to other branches of the Service and the Provincial Government, information was gathered and compiled for government services throughout Canada and the United States.

HOSPITAL SERVICES GROUP

The Hospital Services Group comprises that part of the Hospital Insurance Service which deals with hospitals and with hospital matters. Its four divisions are Hospital

Finance, Hospital Consultation and Inspection, Medical Consultation, and Hospital Construction.

HOSPITAL FINANCE DIVISION

Hospital Claims Section

The main functions of this Section were to advise hospitals of patients' eligibility status and to screen and process hospital accounts for payment. Approximately 900 admission notices and an equal number of hospital accounts were received each working-day throughout the year. Admission notice forms were screened by the Medical Consultant's Division before the patient's eligibility status was determined. Hospitals were notified with regard to B.C.H.I.S. responsibility on each admission notice received.

During 1953, 208,111 hospital accounts were processed and approved for payment, an increase of 18,240 over 1952. This total included 3,131 out-of-Province accounts, paid on behalf of beneficiaries who were admitted to hospitals in other Provinces of Canada, United States, South America, and many European countries, and other areas of the world.

During 1953 this Section paid hospital accounts for persons in receipt of welfare funds, and then billed and recovered reimbursement from the Provincial Welfare Branch.

The previous year's records—over 610,000 documents—were microfilmed, effecting a considerable saving in filing space and equipment.

Hospital Accounting Section

This Section was primarily concerned with hospital budgets, maintaining close working relations with the hospitals, and the inspection of hospital accounting records. Frequent inspections were made of hospital financial and statistical records. Where smaller hospitals had changes in accounting staff, and local assistance was not available, this Section, upon request, sent accountants to write up the hospital's books and to train new staff.

Monthly statistical reports and statements of revenue and expenditure were received from hospitals and compared with the approved budgets, and cash advances were calculated and made semi-monthly.

The Annual Hospital Report for 1952, required under the "Hospital Act," was prepared; financial and statistical reports prepared by hospitals for the Dominion Bureau of Statistics were checked and amended; requests for payment of grants in connection with capital expenditures made by hospitals for equipment were studied and recommended for approval; audits of accounts relating to hospital-construction projects were carried out in collaboration with Federal Treasury officials; and accounting studies were carried out in nursing homes and chronic hospitals at the request of the Provincial Welfare Branch, to assist them in establishing rates to be paid for the care of welfare patients.

HOSPITAL CONSULTATION AND INSPECTION DIVISION, VICTORIA

During the year this Division continued its programme of hospital inspection and its efforts to help hospitals with their administrative problems. It assisted other divisions of the Service in their work relating to hospitals.

Members of the staff visited forty-eight hospitals. Duration of visits varied from one or two days, in cases of regular inspection, to a week where hospitals had specifically requested a longer visit.

Revision of By-laws.—Many hospitals reviewed and undertook revision of their by-laws. Revised by-laws of twenty-five hospitals were processed during the year in co-operation with the Liability and Adjustment Division. Medical staffs of hospitals were active in developing new medical-staff by-laws; the Division assisted by providing reference material. Several sets of newly developed by-laws were received for comment.

Personnel Procedures Reviews.—Information on personnel matters was distributed, and a sample set of personnel policies was developed to assist smaller hospitals. The manual of medical-record procedures developed in 1952 was tested in several hospitals during the year, and general distribution of the manual was started in December. The manual is especially intended for use by hospitals which do not have a trained medical-record librarian. The Division continued to assist in reviewing hospital estimates and was represented on the Hospital Rate Board. The staff also helped with the review of hospital plans, requests for equipment grants, and acted as official representatives of the Service at three regional hospital meetings.

By request, nutrition consultants of the Provincial Health Branch visited a number of hospitals. This continued the co-operative arrangement with this Service started in 1952. Information on the day-to-day utilization of beds in the Greater Vancouver and New Westminster areas was assembled throughout the year.

HOSPITAL CONSULTATION AND INSPECTION DIVISION, VANCOUVER

A hospital consultation and inspection service, the licensing and inspection of private hospitals, the hospital-clearance programme, and the screening of applications for admission to the Provincial Infirmary were carried on by the Vancouver office during 1953. Close liaison was maintained with the Social Welfare Branch. Investigations were made and service given in matters referred to by other divisions of the Hospital Insurance Service.

There were fifty-four licensed private hospitals in the Province on December 31st, 1953.

Cases Referred.—Two hundred and ninety-three problem cases were referred by general hospitals throughout the Province, for whom request for removal from hospital was made and which involved referral to and investigation by the Social Welfare Branch.

There were thirty-one inquiry cases where interpretation was given to hospitals regarding hospital-clearance cases, but where service was not given by the Social Welfare Branch and where the cases did not constitute true hospital clearance. Eleven inquiries were received concerning situations where hospitals or persons requested information involving other departments of the Government, but which did not pertain to either hospital clearance or private hospitals. While some of these inquiries were directed to the Hospital Insurance Service, they were not, upon investigation, necessarily hospital insurance problems and were therefore, in turn, referred to the agency or department responsible for the case-handling. Fifty-six inquiries were made regarding the establishment of private hospitals. Seven new private-hospital licences were issued and three private hospitals ceased operation during the year.

Inspectional Visits.—An annual inspectional visit was made to all licensed private hospitals. Any complaints received with respect to the operation of any private hospital were thoroughly investigated. Interpretation and guidance were given to private hospitals upon request and, as a result, a large number of the private hospitals were visited several times.

A number of private hospitals voluntarily made inquiries with respect to improving conditions and service facilities within their private hospitals. A larger number of private hospitals evidenced interest in, and have actually established, diversional and recreational programmes for patients under care.

One hundred and two applications for admission to the Provincial Infirmary were received and considered. Of these, ninety-eight were recommended for Infirmary admission. This Division continued to administer the "Mental Hospitals Act," sections 6 and 7. There is one licensed private mental hospital in the Province, and two borderline homes under observation and supervision by the Inspector of Hospitals for the Medical Superintendent of the Provincial Mental Hospital under section 6 of the "Mental Hospitals Act."

MEDICAL CONSULTATION DIVISION

In essence, the function of this Division is to supply technical knowledge to all branches of the Service requiring it. The Medical Consultant, along with the Assistant Commissioner in charge of hospital services, represents the Service on the Medical Review Board. The other three members of this Board are physicians designated by the College of Physicians and Surgeons of British Columbia. The Board, by its advice and guidance, does much to create and maintain good relations among the Service, the medical profession, and the hospitals.

In accordance with the British Columbia "Hospital Insurance Act" and its regulations, the Medical Consultant and his staff review and approve all hospital accounts from a medical point of view before payment to the hospitals, giving particular attention to chronic and short-stay patients. Medical statistics are prepared under the guidance of the Medical Consultant. In the majority of hospitals visited during 1953 by the Medical Consultant, advice was given, in conjunction with other divisions, in connection with drug usage and the purchase of hospital equipment. A new procedure for the submission of medical-treatment forms by hospitals was introduced, to ensure that correct diagnoses were provided, with the object of improving the accuracy of medical statistics.

HOSPITAL CONSTRUCTION DIVISION

The primary function of this Division was to render an advisory or consulting service to hospitals or hospital groups contemplating building improvements, reconstruction, additions to existing structures, or the construction of a new hospital. Reference material on the planning and construction of hospitals is available, and was loaned upon request to interested groups.

During 1953, hospital projects were completed at Powell River (7 beds), Penticton (121 beds), Creston (28 beds), Abbotsford (50 beds), North Vancouver (22 beds), and the St. Vincent's Hospital addition at Vancouver was substantially completed, which provided an increase of 141 beds. A new boiler plant was brought into operation at the Providence Hospital, Fort St. John, and at Rossland a new kitchen and laundry were finished.

During the year, hospital projects were under way at Pouce Coupe, St. Paul's in Vancouver, Trail, White Rock, and Tofino. The Vancouver General Hospital continued with its main-building alterations and heating- and power-plant projects. Two chronic- and convalescent-hospital projects were started in Vancouver—the Holy Family Hospital and the Western Society for Rehabilitation.

Provincial payments based upon progress certificates submitted by hospitals undertaking construction projects in 1953 amounted to \$2,877,326, which would represent a gross expenditure of \$4,804,903.

On December 7th, 1953, the Government approved a revised financing formula for hospital construction. The new formula eliminated the repayable loan previously advanced by the Province and provided an outright grant of 50 per cent for approved costs of new projects.

The Division also advised hospitals and hospital groups of the financing formulae of the Federal and Provincial Governments and outlined in detail the conditions attached to their financial assistance. Federal and Provincial grants became available to hospitals only after the approval of the project in principle and a detailed review of the plans by the Hospital Insurance Service. Particular attention was paid to the design, to make sure it would permit quality of care, efficient and economical operation, and adequate provision for expansion. Specifications and contract documents were also submitted to this Service for review. Fourteen major reviews of hospital projects were completed during 1953, and several site inspections were undertaken.

This Division acts on behalf of the Federal Government to ensure that its minimum standards are met. This includes ensuring that the plans satisfy the Provincial Fire Marshal, and that minimum floor areas, corridor-widths, and adequate services exist.

GENERAL HOSPITAL CARE

Statistical data compiled by the Hospital Finance Division and dealing with the volume of hospital care provided to the population of British Columbia by the Service are presented in the tables on the following pages. Seventy-eight public hospitals were approved to accept B.C.H.I.S. patients. In addition, a proportion of care was given in company-operated hospitals in remote areas and in Red Cross outpost units and the veterans' hospitals at Vancouver and Victoria.

The 1953 data given have been prepared from preliminary unrevised reports submitted by the hospitals of the Province and are subject to minor revision.

The average length of stay of B.C.H.I.S. adult and children patients in British Columbia public hospitals decreased from 10.17 days in 1952 to 10.12 days in 1953. The total adult and children days covered by B.C. Hospital Insurance Service in British Columbia public hospitals were 1,712,494 during 1953, an increase of 142,520 or 9 per cent over 1952.

A total of 169,259 B.C.H.I.S. adult and children patients were discharged from British Columbia public hospitals during 1953, an increase of 14,923 or 9.7 per cent over 1952. This marked increase in the number of B.C.H.I.S. patients and patient-days is equivalent to the total increase experienced during the preceding three years. It would appear that additional hospital accommodation, made available through construction, is an important factor in this situation.

TABLE IA.—PATIENTS DISCHARGED AND DAYS OF CARE IN B.C. PUBLIC HOSPITALS, 1949-53, AND PROPORTION COVERED BY B.C. HOSPITAL INSURANCE SERVICE

	Total Hospitalized			Covered by B.C.H.I.S. ¹		
	Adults and Children	New-born	Total	Adults and Children	New-born	Total
Patients discharged—						
1949	164,964	26,272	191,236	140,168	24,640	164,808
1950	172,645	26,205	198,850	144,959	23,943	168,902
1951	181,160	27,096	208,256	150,116	24,172	174,288
1952 ²	188,355	28,675	217,030	154,336	25,023	179,359
1953	200,985	29,915	230,900	169,259	27,033	196,292 ³
Percentage of total, patients discharged—						
1949	-----	-----	-----	84.9	93.8	86.2
1950	-----	-----	-----	84.0	91.4	84.9
1951	-----	-----	-----	82.9	89.2	83.7
1952 ²	-----	-----	-----	81.9	87.3	82.6
1953	-----	-----	-----	84.2	90.4	85.0
Patient-days—						
1949	1,682,196	213,874	1,896,070	1,430,646	200,585	1,631,231
1950	1,766,680	212,979	1,979,659	1,476,615	193,307	1,669,922
1951	1,795,438	214,285	2,009,723	1,467,102	187,891	1,654,993
1952 ²	1,916,486	214,701	2,131,187	1,569,974	184,160	1,754,134
1953	2,041,231	220,317	2,261,548	1,712,494	197,209	1,909,703 ³
Percentage of total, patient-days—						
1949	-----	-----	-----	85.0	93.8	86.0
1950	-----	-----	-----	83.6	90.8	84.4
1951	-----	-----	-----	81.7	87.7	82.3
1952 ²	-----	-----	-----	81.9	85.8	82.3
1953	-----	-----	-----	83.9	89.5	84.4

¹ B.C.H.I.S. excludes Workmen's Compensation Board patients and days.

² Amended as per final reports received from hospitals.

³ New-born total included.

TABLE IB.—PERCENTAGE OF PATIENTS COVERED BY B.C. HOSPITAL INSURANCE SERVICE DURING 1953

	Per Cent
Patients charged to agencies—Workmen's Compensation Board, approved insurance plans, and Federal Government	7.7
Self-responsible—non-B.C. residents	1.0
Subject to B.C.H.I.S. coverage	91.3
	100.0
B.C.H.I.S. patients hospitalized (85.0 per cent of total, <i>see</i> Table IA) in relation to proportion of patients subject to insurance coverage (91.3 per cent, <i>see</i> Table Ib).....	93.1

TABLE IIA.—PATIENTS DISCHARGED, TOTAL DAYS' STAY, AND AVERAGE LENGTH OF STAY ACCORDING TO TYPE AND LOCATION OF HOSPITAL, AND DAYS OF CARE PER THOUSAND OF COVERED POPULATION FOR B.C.H.I.S. PATIENTS ONLY, 1949-53.

	Total		B.C. Public Hospitals		B.C. Private Hospitals		Institutions outside B.C.	
	Adults and Children	New-born	Adults and Children	New-born	Adults and Children	New-born	Adults and Children	New-born
Patients discharged—								
1949.....	149,280	24,989	140,168	24,640	7,093	151	2,019	198
1950.....	154,643	24,336	144,959	23,943	7,617	173	2,067	220
1951.....	159,739	24,587	150,116	24,172	7,308	171	2,315	244
1952 ¹	164,379	25,492	154,336	25,023	7,431	161	2,612	308
1953.....	180,543 ²	27,568	169,259	27,033	8,475	213	2,809	322
Patient-days—								
1949.....	1,498,121	203,197	1,430,646	200,585	45,960	1,146	21,515	1,466
1950.....	1,564,222	196,333	1,476,615	193,307	65,326	1,288	22,281	1,738
1951.....	1,551,954	190,948	1,467,102	187,891	62,771	1,155	22,081	1,902
1952 ¹	1,663,149	187,923	1,569,974	184,160	68,892	974	24,283	2,789
1953.....	1,814,146 ²	201,081	1,712,494	197,209	75,704	1,287	25,948	2,585
Average days of stay—								
1949.....	10.03	8.13	10.21	8.14	6.48	7.59	10.66	7.40
1950.....	10.11	8.07	10.19	8.07	8.58	7.44	10.78	7.90
1951.....	9.71	7.76	9.77	7.77	8.59	6.75	9.54	7.79
1952 ¹	10.12	7.37	10.17	7.36	9.27	6.05	9.29	9.06
1953.....	10.04	7.29	10.12	7.30	8.93	6.04	9.24	8.03

¹ Amended as per final reports received from hospitals.

² New-born totalled separately.

Estimated days per thousand of population covered by B.C. Hospital Insurance Service: 1949, 1,528; 1950, 1,548; 1951, 1,496; 1952, 1,545; 1953, 1,638.

TABLE IIB.—SUMMARY OF THE NUMBER OF B.C.H.I.S. IN-PATIENTS AND SHORT-STAY PATIENTS, 1949-53

	1949	1950	1951	1952 ¹	1953	Total
Total adults, children, and new-born in-patients.....	174,269	178,979	184,326	189,871	208,111	935,556
Estimated number of short-stay patients.....	29,000	44,502	47,656	46,767	44,342	212,267
Total receiving benefits.....	203,269	223,481	231,982	236,638	252,453	1,147,823

¹ Amended as per final reports received from hospitals.

TABLE III.—PATIENTS DISCHARGED, TOTAL DAYS' STAY AND AVERAGE LENGTH OF STAY IN B.C. PUBLIC HOSPITALS FOR B.C.H.I.S. PATIENTS ONLY, GROUPED ACCORDING TO BED CAPACITY, YEAR 1953.

	Bed Capacity						
	Total	250 and Over	100 to 249	50 to 99	25 to 49	Under 25	Special
Patients discharged—							
Adults and children.....	169,259	70,243	28,746	39,363	15,686	11,249	3,972
New-born.....	27,033	9,906	4,440	8,274	2,363	1,754	296
Patient-days—							
Adults and children.....	1,712,494	852,600	280,053	328,006	127,379	84,535	39,921
New-born.....	197,209	77,198	32,162	57,999	16,233	11,640	1,977
Average days of stay—							
Adults and children.....	10.12	12.14	9.74	8.33	8.12	7.51	10.05
New-born.....	7.30	7.79	7.24	7.01	6.87	6.64	6.68

TABLE IV.—PERCENTAGE DISTRIBUTION OF PATIENTS DISCHARGED AND PATIENT-DAYS FOR B.C.H.I.S. PATIENTS ONLY, IN B.C. PUBLIC HOSPITALS, GROUPED ACCORDING TO BED CAPACITY, YEAR 1953.

	Bed Capacity						
	Total	250 and Over	100 to 249	50 to 99	25 to 49	Under 25	Special
Patients discharged—	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent
Adults and children.....	100.00	41.49	16.98	23.26	9.27	6.65	2.35
New-born.....	100.00	36.65	16.42	30.61	8.74	6.49	1.09
Patient-days—							
Adults and children.....	100.00	49.79	16.35	19.15	7.44	4.94	2.33
New-born.....	100.00	39.15	16.31	29.41	8.23	5.90	1.00

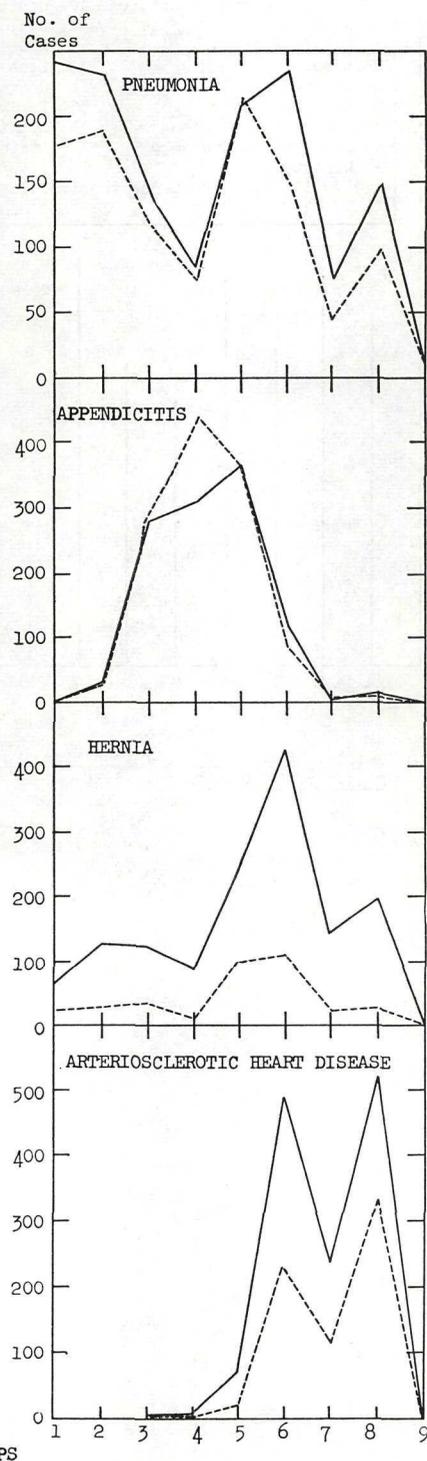
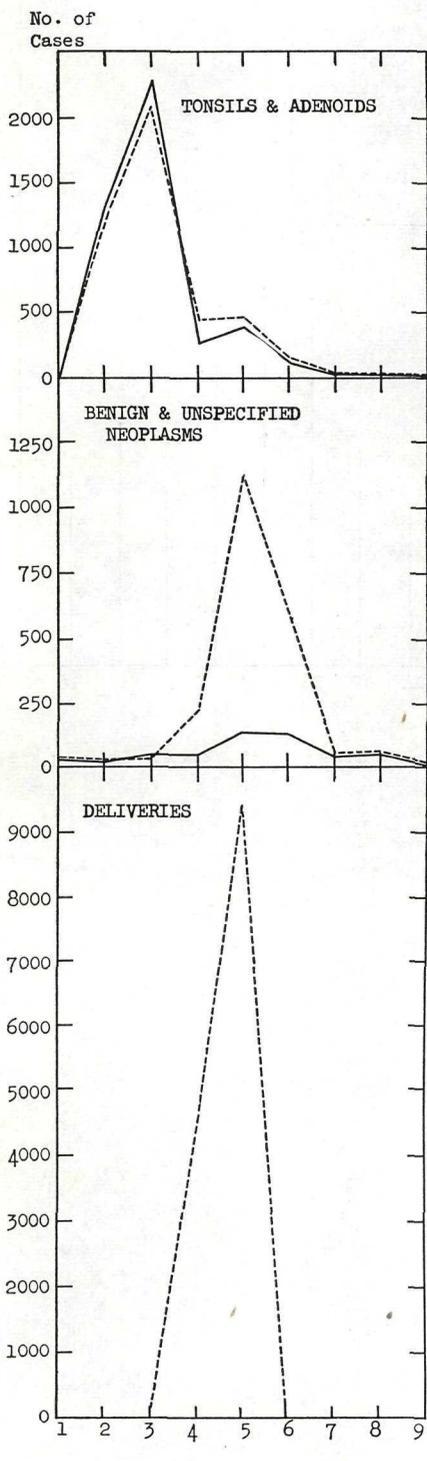
In Tables III and IV those public hospitals in which B.C. Hospital Insurance Service does not cover certain types of hospitalization have been shown under the heading "Special." The figures, however, include only B.C.H.I.S. patients.

HOSPITAL INSURANCE SERVICE REPORT, 1953

NN 19

Principal Causes of Hospitalization, July 1st to December 31st, 1952

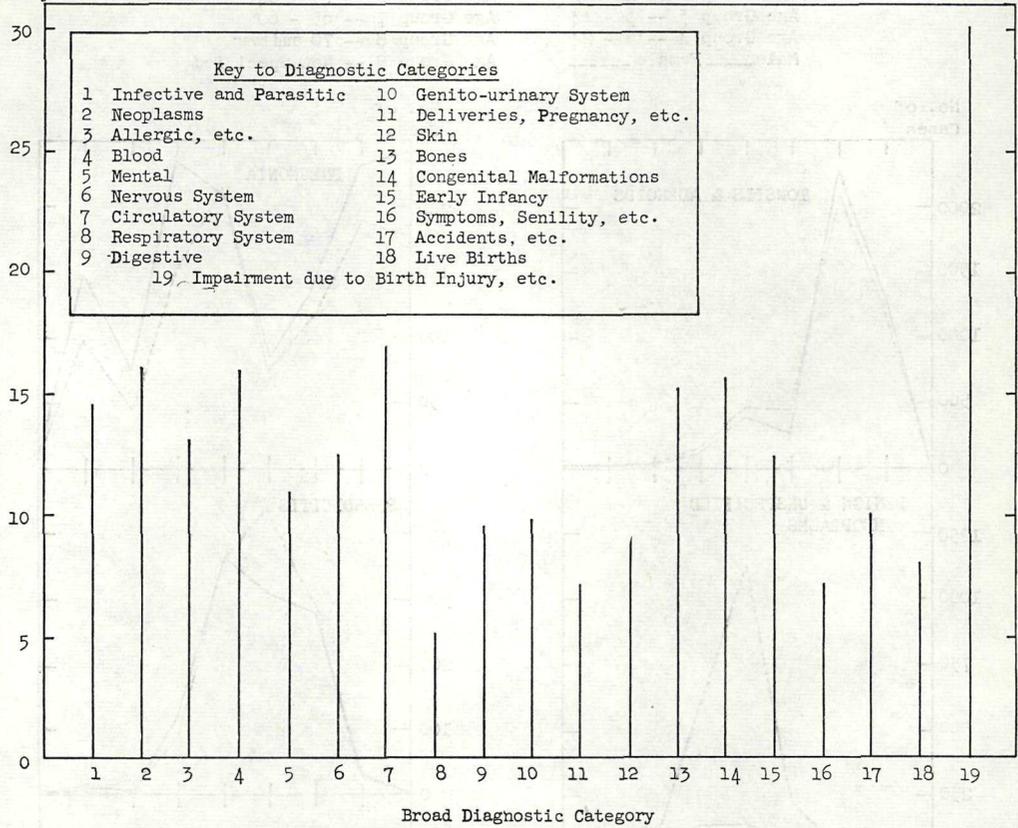
Age Group 1 -- 0 - 1	Age Group 5 -- 25 - 44
Age Group 2 -- 1 - 4	Age Group 6 -- 45 - 64
Age Group 3 -- 5 - 14	Age Group 7 -- 65 - 69
Age Group 4 -- 15 - 24	Age Group 8 -- 70 and over
Male ——— Female - - - - -	Age Group 9 -- Not Specified



AGE GROUPS

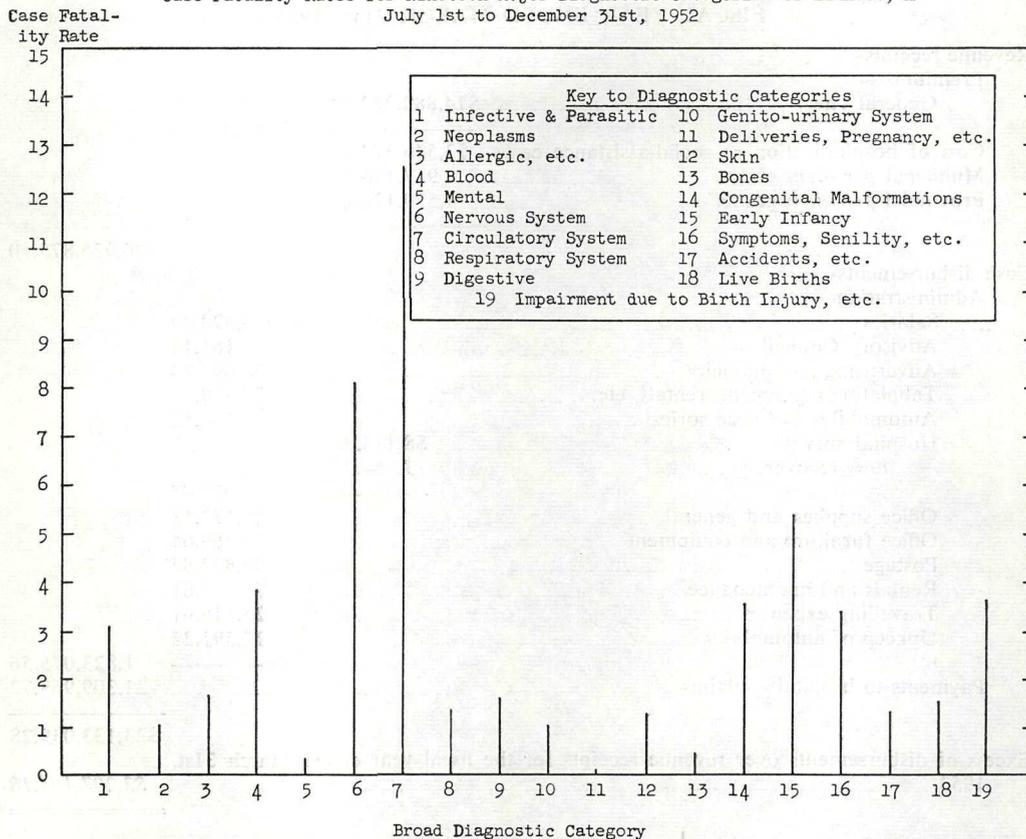
Average Lengths of Stay for Nineteen Major Diagnostic Categories of Illness, *
July 1st to December 31st, 1952

Av. Days' Stay



* Based on Manual of the International Statistical Classification of Diseases, Injuries and Causes of Death, 6th ed., 1948.

Case Fatality Rates for Nineteen Major Diagnostic Categories of Illness, *
July 1st to December 31st, 1952



* Based on Manual of the International Statistical Classification of Diseases, Injuries and Causes of Death, 6th ed., 1948.

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE
FISCAL YEAR ENDED MARCH 31st, 1953

Revenue receipts—		
Premiums—		
General (net)	\$14,882,288.84	
		\$14,882,288.84
Cost of hospitalization <i>re</i> social-assistance cases	\$3,546,278.15	
Municipal <i>per diem</i> grants	977,136.91	
Provincial <i>per diem</i> grants	1,520,171.20	
		6,043,586.26
		<u>\$20,925,875.10</u>
Cash disbursements—		
Administration—		
Salaries	\$1,410,974.39	
Advisory Council	161.14	
Advertising and publicity	28,045.74	
Tabulating equipment, rentals, etc.	77,379.32	
Automobiles and accessories	6,686.52	
Hospital surveys	\$8,113.88	
<i>Less recovered</i>	<u>13,184.33</u>	
		5,070.45
Office supplies and general	126,177.18	
Office furniture and equipment	14,769.04	
Postage	46,865.84	
Rentals and maintenance	79,377.61	
Travelling expenses	25,118.01	
Upkeep of automobiles	12,591.22	
		1,823,075.56
Payments to hospitals—claims		21,309,963.72
		<u>\$23,133,039.28</u>
Excess of disbursements over revenue receipts for the fiscal year ended March 31st, 1953		<u><u>\$2,207,164.18</u></u>

The Statement of Revenue Receipts and Cash Disbursements for the fiscal year ended March 31st, 1953, together with the Statement Showing Cash Reconciliation with the Public Accounts of the Province of British Columbia as at March 31st, 1953, show the cash transactions only of the Hospital Insurance Fund for the period according to the books of the Province.

C. J. FERBER, C.A.,
Comptroller-General, Province of British Columbia.

STATEMENT SHOWING CASH RECONCILIATION WITH THE PUBLIC ACCOUNTS
OF THE PROVINCE OF BRITISH COLUMBIA AS AT MARCH 31st, 1953

Period ended March 31st, 1949 (Public Accounts, page 215)	\$5,305,908.18	
Less financed by Provincial loans and grants—		
Hospital Insurance Stabilization Fund	\$50,000.00	
"Amusements Tax Act"	1,445,573.40	
	<u>1,495,573.40</u>	
Operating receipts over disbursements		\$3,810,334.78*
Fiscal year ended March 31st, 1950, disbursements over receipts (Public Accounts, page 147)	\$4,550,580.32	
Add financed by Provincial loans and grants—		
Hospital Insurance Stabilization Fund	\$1,950,000.00	
"Revenue Surplus Appropriation Act, 1950"	2,500,000.00	
	<u>\$4,450,000.00</u>	
"Amusements Tax Act" (fiscal year 1949, above)	1,445,573.40	
	<u>3,004,426.60</u>	
Operating disbursements over receipts		7,555,006.92
Fiscal year ended March 31st, 1951, disbursements over receipts (Public Accounts, page 144)		5,118,697.76
Fiscal year ended March 31st, 1952, receipts over disbursements (Public Accounts, page 99)		46,321.32*
Fiscal year ended March 31st, 1953, disbursements over receipts (Public Accounts, page 99)		2,207,164.18
Operating disbursements over receipts, 1949-53		<u>\$11,024,212.76</u>
Add balance at March 31st, 1953—		
Amount adjusted on advances to hospitals	\$2,508,482.01†	
Credit balance, Hospital Insurance Fund	7,216,955.25	
	<u>4,708,473.24</u>	
		<u>\$15,732,686.00</u>
Financed by Provincial loans and grants—		
Hospital Insurance Stabilization Fund—		
Public Accounts, 1948-49, page 210	\$50,000.00	
Public Accounts, 1949-50, page 134	1,950,000.00	
	<u>\$2,000,000.00</u>	
"Revenue Surplus Appropriation Act, 1950" (Public Accounts, 1949-50, page 134)	2,500,000.00	
Amount voted under Vote 118, 1950-51	2,545,696.00	
"Revenue Surplus Appropriation Act, 1951" (Public Accounts, 1950-51, page 144)	1,500,000.00	
Amount voted under Vote 124, 1951-52	2,500,000.00	
Amount voted under Vote 124, 1952-53	4,686,990.00	
	<u>15,732,686.00</u>	

* Credits.

† 1950-51 credits, \$1,934,062.62; 1951-52 credits, \$618,740.95; 1952-53 debit, \$44,321.56.

BENEFITS IN B.C. HOSPITALS, 1953

The general hospital services to be provided shall include such of the following services as are recommended by the attending physician, and as are available in the hospital to which the person is admitted as an in-patient, and when there is definite medical necessity for in-patient care:—

- (a) Public-ward accommodation:
- (b) Operating-room facilities, including the use of all equipment and material required in the proper care of surgical cases:
- (c) Case-room facilities, including the use of all equipment and material required in the proper care of maternity cases:
- (d) Surgical dressings and casts as required, as well as other surgical materials and the use of any equipment which may be required while in hospital:
- (e) Anæsthetic supplies and the use of anæsthesia equipment:
- (f) All other services rendered by individuals who receive any remuneration from the hospital, provided that the provision of such services in a particular hospital is approved by the Commissioner. Services which may be approved by the Commissioner for the purpose of this section may include:—
 - (1) Radiological, diagnostic, and therapeutic services, including the services of a radiologist:
 - (2) Clinical laboratory and other diagnostic procedures, including the services of a pathologist:
 - (3) Physiotherapy services:
- (g) Care of the acute stage of chronic diseases where, in the opinion of the Commissioner, such care is necessary and desirable. Such chronic disease shall include cardiac disease, tuberculosis, mental disease, and acute anterior poliomyelitis; the acute stage of venereal disease only where general hospital care is recommended by the Division of Venereal Disease Control; the acute stage of drug addiction where overdosage and poisoning have to be given prompt treatment; and the acute stage of alcoholism, provided in the case of acute alcoholism that hospitals establish under their own by-laws the conditions under which such persons may be admitted to hospital:
- (h) Such drugs and related preparations listed in the British Columbia Formulary and such other preparations as the Commissioner may from time to time prescribe.

BENEFITS IN HOSPITALS OUTSIDE BRITISH COLUMBIA

Payments for hospital services rendered by hospitals outside the Province of British Columbia to persons who are beneficiaries under the Act shall be made on the basis of not more than \$8 per day (new-born, \$3.50 per day) and for a period of time not to exceed thirty days. Payments for a longer period of time than thirty days may be authorized by the Commissioner where he is satisfied that further care of a type provided for under the Act is required.

Where a beneficiary produces receipts showing that he has himself paid an account to a hospital situated outside the Province, he may be reimbursed within the limitations and subject to the conditions provided in the regulations under the Act.

CLASSES OF PERSONS COVERED BY OR EXCLUDED FROM THE BENEFITS OF THE HOSPITAL INSURANCE SERVICE

A. COVERED BY THE PLAN UPON PAYMENT OF THE REQUIRED PREMIUM

Every person who is a resident of the Province, except persons classified in Groups B, C, and D hereunder. Participation in the plan is compulsory, except for those in the far northern areas, who may voluntarily pay premiums and be entitled to benefits.

B. COVERED BY THE PLAN BY THE PROVINCIAL GOVERNMENT

Those persons who are in receipt of any form of social assistance to which the Provincial Government of British Columbia contributes financially and who, in addition, have been certified by the Deputy Minister of Welfare to be persons entitled to free health services.

C. PERSONS ENTITLED TO CLAIM EXEMPTION

1. Members of the Canadian Armed Forces (but not their dependents).
2. Members of the Royal Canadian Mounted Police (but not their dependents).
3. Students in training under the Department of Veterans' Affairs (but not their dependents).
4. Veterans in receipt of war veterans' allowance (but not their dependents).
5. Members of the Christian Science Church.
6. Persons resident in certain far northern regions of the Province which have no hospital facilities. Such persons, if they pay premiums voluntarily, are entitled to the benefits under the Act in any acute general hospital in the Province.
7. Members of the Canadian Pacific Employees' Medical Association of British Columbia and the Telephone Employees' Medical Services Association of British Columbia.
8. Persons covered by the Saskatchewan Hospital Services Plan.

D. PERSONS EXCLUDED FROM THE PLAN

1. A person who is a patient or an inmate of an institution maintained by the Province.
2. Persons in the Provincial tuberculosis sanatorium.
3. Persons committed to a gaol or penitentiary.

TABLE V.—CLAIMS FOR EXEMPTION

	Claims Approved during 1953	Total Exemptions at Dec. 31, 1953
Old-age pension, blind pension, Old Age Security bonus, mother's allowance, and social assistance	6,574	27,171
W.V.A. and Class 6 patients, and D.V.A. students	814	1,370
Royal Canadian Mounted Police	148	1,027
Exempted area	93	355
Prisons	27	124
Armed Forces	1,439	8,250
Church of Christ, Scientist	75	1,660
Saskatchewan Hospital Services Plan	295	71
Provincial institutions—tuberculosis, mental, and infirmaries	748	1,516
General	111	186
Canadian Pacific Employees' Medical Association of British Columbia	4,433	14,000
Telephone Employees' Medical Services Association of British Columbia	1,403	4,347
Totals	16,160	60,077

NOTE.—A large number of persons in receipt of social allowance have not registered with the B.C. Hospital Insurance Service.

Claims granted retroactively for various periods	2,549
Approved claims cancelled	11,343
New claims refused	758
Adjustments to existing claims	14,123
Adjustments to medical identity cards	14,107
Hospital claims received for approval	32,506
Medical identity cards received	10,663
Refunds approved	4,510

Claims for Dependency

Approved	2,098
Not approved	57
Reviewed and reapproved	15
Reviewed and not approved	2
Claims cancelled	9

VICTORIA, B.C.

Printed by DON McDIARMID, Printer to the Queen's Most Excellent Majesty
1954

