

The figures for British Columbia and for New Zealand are reasonably close, and indicate that the *per capita* costs of providing medical and hospital benefits would not fall far short of £2 10s. per annum. Reliable figures showing the relative proportions of insured and their dependants are not readily available for New Zealand, but figures are obtainable for the United Kingdom and for British Columbia which are sufficiently accurate for the present purposes. The report of the Royal Commission on National Health Insurance quotes the Ministry of Labour as estimating that for every insured man the number of dependants is on the average 1·5 and for every insured woman 0·15, making the total number of dependants 15,750,000, or slightly more than the total number of insured persons.

“A Plan of Health Insurance for British Columbia, 1935,” issued by the Department of the Provincial Secretary, Victoria, B.C., contains a statement that according to 1931 census figures for British Columbia there were 1·25 dependants for each wage-earner.

Applying these figures to New Zealand, it would appear probable that the provision of medical and hospital benefits on the scale proposed, and covering dependants as well as insured, would involve a total annual contribution in round figures of £5 per insured (male or female).

This sum could be materially reduced by withdrawing certain of the proposed benefits and making the scheme one which provides a general-practitioner service only as in the United Kingdom, or by leaving the insured, as in Germany, to pay the cost of prescriptions up to a certain sum, or, as in France, to pay direct to his medical attendant from 15 per cent. to 20 per cent. of his medical costs.

E. ADMINISTRATION.

Medical opinion in English-speaking countries is strong on the point that insurance medical practice should follow closely the lines of private medical practice, and the following principles have found general acceptance :—

- (a) The right of every legally qualified doctor to undertake the medical care of persons insured under the scheme.
- (b) The freedom of choice as between physician and patient.
- (c) Effective participation of insurance physicians in the administration of the scheme.

These principles can be readily agreed to. It is reasonable that the medical profession should, so far as practicable, be made responsible for the quality of the medical service and for the discipline of their own members. The experience of the United Kingdom in these respects, and the method of administration in force in that country, might well be taken as a guide.

The Royal Commission on National Health Insurance recommends that the separate *ad hoc* committees which were created to administer health insurance should now be abolished, and that their work should be handed over to committees of the appropriate local authorities, with possibly a co-opted element. In New Zealand, then, presumably the logical method of control would be—

Central Government : The Health Department, preferably through a special Board on which the Department, medical profession, Hospital Boards, and other interested parties would be represented.

Local Government : Hospital Boards, separately or grouped for the purpose, with a strong co-opted element, including representatives of medical profession, Friendly Societies, &c.

Only in this way could be achieved the necessary effective co-ordination of existing health and hospital services with the scheme. All matters concerning finance should be dealt with by the Board proposed to be set up under Part I.

F. CONCLUSION.

National health insurance has now well passed the experimental stage, and is a proved method of providing adequate medical care for large sections of the community who formerly received a most indifferent service. The schemes in force have been designed for the densely populated industrial communities of Europe, and require considerable modification before they can be adapted to sparsely settled agricultural countries such as New Zealand. However, the evidence as to the advantages is so overwhelming that the proposal to initiate a health-insurance scheme for New Zealand merits a fuller and more detailed investigation than this Committee has been able to make in the time available. It therefore suggests that consideration be given to the recommendation of the Hospital Boards Association that an