

services, technological advances, and quality improvements in the field of health and medical care and treatment. The growth in the average amount spent for health care has been substantial for all

ages. For a person under age 65, the average amount spent in 1975 was almost two and a half times the sum spent in 1966. For the aged, per capita spending more than tripled since 1966.

Social Security Abroad

Administrative Costs for Social Security Programs in Selected Countries*

Information on the amount social security systems spend on administration in relation to their total benefit expenditures has been collected by the International Labor Organization (ILO) in its most recent study of the cost of social security.¹ The data provided by 13 selected countries in response to the ILO's uniform questionnaire have been brought together in the accompanying table. The table is based on advance information from the ILO and presents administrative costs as a percentage of all benefit expenditures in 1971.

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¹ International Labor Office, *The Cost of Social Security* (Eighth International Inquiry, 1967-1971, Basic Tables), Geneva (scheduled for publication in 1976). For an outline of the structure and provisions of programs in other countries, see *Social Security Programs Throughout the World, 1975* (Research Report No. 48), Social Security Administration, Office of Research and Statistics, 1976.

for the old-age, invalidity, and survivor insurance system, for the general health insurance system, and for all cash benefit programs in 10 Western European countries, Canada, Japan, and the United States.

For comparative purposes, these data (for a fiscal-year period that differs somewhat from country to country) appear to be the most representative available, though a number of conceptual difficulties are involved. The mix of programs, for example, may not be the same from one country to another. Some countries lump together old-age, invalidity, and survivor insurance, others administer the invalidity program with health insurance. The United States, for example, has no family allowance program.

OLD-AGE, INVALIDITY, AND SURVIVOR INSURANCE

Administrative costs as a proportion of benefit expenditures for old-age, invalidity, and survivor insurance in 1971 are compared here for 9 of the 13 countries—those for whom data are available and distinguishable (except that Belgium's figure excludes the invalidity program, which

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Administrative costs as a percentage of total benefit expenditures under social security programs, 13 countries

| Country | Cash benefits under old age, invalidity, and survivors insurance, ¹ 1971 | Total cash benefits under public programs ² | | Medical care benefits under health insurance, ¹ 1971 |
|----------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------|------|-----------------------------------------------------------------|
| | | 1966 | 1971 | |
| Austria | 3.1 | 3.8 | 3.7 | 3.9 |
| Belgium | ³ 2.4 | 6.2 | 5.3 | 7.9 |
| Canada | 2.0 | 1.9 | 1.9 | ⁴ 2.3 |
| Denmark | (⁵) | 2.9 | 2.4 | 6.4 |
| Germany (Federal Republic) | ⁴ 1.3 | 5.1 | 3.7 | 5.0 |
| Italy | 3.6 | 5.4 | 3.7 | 6.4 |
| Japan | 10.6 | 3.9 | 3.6 | 4.0 |
| Netherlands | 2.1 | 4.3 | 3.6 | 3.4 |
| Norway | 3.6 | 2.7 | 3.3 | 4.3 |
| Sweden | (⁵) | 2.4 | 1.9 | 7.6 |
| Switzerland | (⁵) | 3.4 | 3.0 | 11.2 |
| United Kingdom | (⁵) | 3.2 | 3.3 | (⁵) |
| United States | 2.2 | 3.7 | 3.2 | ⁴ 5.3 |

¹ General system.
² Old age, invalidity, and survivor insurance; cash sickness payments for temporary disability; cash maternity payments, workmen's compensation, unemployment insurance, family allowances, public employee pensions, public assistance, and benefits for war victims.
³ Excludes invalidity program, which is administered with health insurance.

⁴ Much of the administration is not at the national level.
⁵ Comparable data not available.
⁶ For hospital insurance and supplementary medical insurance covering only persons aged 65 and over.

TABLE M-31 —Supplemental security income for the aged, blind, and disabled. Number of persons receiving State-administered State supplementation only and total and average amount, by reason for eligibility and State, December 1975 ¹

| State | Number of persons | | | | Total amount (in thousands) | | | | Average payment | | | |
|----------------------|-------------------|--------|-------|----------|-----------------------------|---------------------|------------------|---------------------|------------------|------------------|------------------|------------------|
| | Total | Aged | Blind | Disabled | Total | Aged | Blind | Disabled | Total | Aged | Blind | Disabled |
| Total | 45 350 | 26,580 | 826 | 17,944 | \$3 187 | \$1 470 | \$76 | \$1,641 | \$70 28 | \$55 30 | \$92 39 | \$91 45 |
| Alabama | 5,014 | 3 969 | 63 | 982 | 263 | 193 | 4 | 66 | 52 52 | 48 59 | 69 78 | 67 30 |
| Alaska | 888 | 465 | 20 | 403 | 38 | 21 | 1 | 16 | 42 32 | 45 85 | 35 75 | 38 59 |
| Arizona | 214 | 214 | | | 37 | 37 | | | 174 00 | 174 00 | | |
| Colorado | 6 470 | 4,601 | 26 | 1,843 | 515 | 276 | 3 | 235 | 79 58 | 60 02 | 129 65 | 127 71 |
| Florida ² | | | | | | | | | | | | |
| Illinois | 10 290 | 2 241 | 65 | 7,984 | 1,243 | 230 | 6 | 1,007 | 120 81 | 102 73 | 94 12 | 126 10 |
| Kentucky | 1,204 | 1,021 | 8 | 175 | 109 | 93 | 1 | 15 | 90 12 | 90 65 | 89 00 | 87 08 |
| Minnesota | 800 | 439 | 25 | 336 | 53 | 27 | 2 | 25 | 66 73 | 60 49 | 62 36 | 75 22 |
| Missouri | 13 435 | 10,685 | 414 | 2 336 | 646 | 469 | 46 | 131 | 48 05 | 43 91 | 110 00 | 56 01 |
| Nebraska | 787 | 380 | 12 | 395 | 36 | 13 | 1 | 23 | 46 21 | 33 03 | 42 67 | 59 01 |
| New Mexico | 17 | 2 | | 15 | (³) | (³) | | (³) | (³) | (³) | | (³) |
| North Carolina | 1,433 | 729 | 77 | 627 | 145 | (³) 70 | 11 | (³) 65 | 101 32 | 95 86 | 137 55 | 103 23 |
| North Dakota | 12 | 7 | | 5 | (³) | (³) | | (³) | (³) | (³) | | (³) |
| Oklahoma | 2 342 | 425 | 24 | 1 893 | 52 | 18 | (³) | (³) 33 | 22 07 | 41 71 | (³) | 17 68 |
| Oregon | 2 444 | 1,402 | 92 | 950 | 80 | 23 | 2 | 24 | 20 37 | 16 06 | 25 12 | 25 38 |

¹ Data reported to the Social Security Administration by individual States. All data subject to revision. Data not available for 9 States—Connecticut, Idaho, Maryland, New Hampshire, South Carolina, South Dakota, Utah, Virginia, and West Virginia.

² No persons receiving State supplementation only.

³ Less than \$500.

⁴ Not computed on base of less than \$500.

SOCIAL SECURITY ABROAD

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cannot be separated from the health insurance program) As the table shows, the administrative costs are lowest (13 percent) in the Federal Republic of Germany and highest (10.6 percent) in Japan. In other countries, the costs are about 2-3 percent of benefit expenditures.

Japan's benefits are relatively low, but the administration and caseload processing are presumably comparable with those of other countries, the proportion spent on administrative costs consequently is relatively higher. In Germany, much of the system's administration is carried on at the Land (State) level and is therefore not reflected in the national expenditure figures used in the table.

HEALTH INSURANCE

In relating administrative costs of the general health insurance system to expenditures for benefits in 1971, as shown in the table for 12 of the 13 countries,² it should be noted that the structure of the systems differs considerably from country to country. Though the figures shown reflect the data provided by each of the countries, detailed in-depth analysis would be needed to determine the effect of the differences in approach. In Canada, for which the lowest figure (2.3 percent) is

² For the United Kingdom, comparable figures are not available.

reported, the health care system is operated primarily at the Provincial level. The highest figure (11.2 percent) is reported by Switzerland, which does not have a unified national health care system but 1,000 industrial and cooperative health funds. In half the countries, administrative costs represent about 4-6 percent of expenditures for health care benefits.

CASH BENEFIT PROGRAMS

Administrative costs in relation to expenditures for cash benefits under all public programs in the 13 countries are shown for 1966 and 1971. The programs included are old-age, invalidity, and survivor insurance, cash sickness payments for temporary disability; cash maternity payments, workmen's compensation, unemployment insurance, family allowances (cash payments for families with children), public employee pensions, public assistance, and benefits for war victims. Not all of the countries have all of the programs.

Norway and the United Kingdom showed slightly higher percentages in 1971 than in 1966, and Canada's proportion was the same in both years. For all the other countries, the figure was somewhat lower in 1971. These declines in administrative costs as a percentage of benefit expenditures reflect the rapid rise in benefit levels that resulted in part from inflation and in part from program expansion.