

officers in the Federal and State health departments to carry into effect the regulations issued by the central governing boards or commissions; (2) by providing a fair and sufficient incentive for the active co-operation of the medical profession; and (3) by providing for a close co-operation of the health insurance system with State, municipal and local health departments and boards.

*Corps of full-time medical officers.*—In view of the experience in both Europe and America, it would seem best to place the administration of the medical benefits directly under governmental agencies and to insert a provision that no cash benefits be paid, except on the certificate of medical officers of the national and State health departments acting as medical referees under the regulations of the central governing board or commission. Such medical officers should be selected according to civil service methods. Since these officers are the representatives of the health departments in the funds, their selection and appointment should also be based upon their knowledge of preventive as well as of clinical medicine. After a probationary period of service satisfactory to the health administration, they should be given permanent appointments, subject to removal only for inefficiency or immoral conduct. One of their duties should be to examine each disabled beneficiary and keep themselves informed as to the progress of his recovery. It is needless to say that the referees should not be permitted to engage in private practice.

*Free choice of registered physicians.*—With such a check on the payment of cash benefits, the medical and surgical treatment provided for beneficiaries could safely be left to the physician of the patient's choice, and payment made on a capitation basis regardless of whether the patient was sick or well, after the manner of the English National Insurance Act. This method of selection and payment of physicians for the medical and surgical relief would offer every incentive to them to keep their patients well and to endeavor to please by rendering their most efficient service.

*Hospital and dispensary treatment.*—In addition, free choice should be allowed to those who prefer institutional treatment by a selected staff, when available; and to this end the local and federated governing bodies might even provide dispensary and hospital units, each such unit to include a staff of physicians, surgeons, oculists, dentists and other specialists, and a staff of visiting and bedside nurses.

*Health insurance a measure for prevention of disease.*—The greatest value of such a system of administration of the medical benefits would be in the organized corps of medical officers and of attending physicians registered on the panel and in the oppor-