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Formation of health insurance in Yaroslavl province

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One of the most important public health problems in Russia during the second half of the 19th to early 20th centuries was poorly developed medical services at factories. Medical care at industrial complexes was primarily for emergency medical assistance and often existed only on paper. Its establishment and implementation depended on the decision of the owners. Adopted in 1912 under pressure from the labor movement, a package of laws on insurance should have changed the situation through social partnership. The law "On insuring workers in case of illness", established the conditions and prospects for the development of medical services at factories. It was meant to become the basis for health insurance.

This article deals with the process which led to the formation of health insurance in the Yaroslavl Province and its problems, which were primarily due to a conflict of interests between entrepreneurs seeking to minimize medical costs and hired workers. The medical community believed that a rational solution for improving the availability and quality of health care for workers would be to transfer medical services at factories into the hands of rural and urban municipalities called zemstvo-districts. Doctors there insisted on fully merging factory medical services with the zemstvo districts. Recognizing that this would be a difficult task because of the limited zemstvo-district budgets and the underdeveloped hospital network, the zemstvo districts, when possible, chose a palliative solution to the problem. They made arrangements with business owners for the provision of hospital, outpatient, medicine and other forms of assistance for workers. The problems of this single province reflected the typical situation of the central industrial region.

Keywords: *Yaroslavl Province, social insurance, health insurance, medical insurance, zemstvo district medicine*

The intense development of industrial production in Russia during the second half of the 19th century brought the issue of health insurance for factory workers into stark relief. During this period, factory healthcare was emerging as an independent branch of medicine having an established legal framework. Two opinions issued by the Committee of Ministers which were major milestones in this process included: "Regarding the Establishment of Hospitals at Plants and Factories" (1866) (which taxed workers' pay for medical assistance) (1886), and "Rules Regarding the Compensation of Victims of Accidents at the Workplace" (1903). At that time, providing medical assistance programs at industrial worksites was up to the discretion of factory owners. Medical assistance was predominately administered through the use of professionals who were still in training, and the right to medical assistance often existed only on paper, often leading to tragic consequences. Data from 1889 shows that privately owned plants and factories in European Russia employed 302 doctors, 622 medical assistants and 60 midwives [2, p. 12].

Under pressure from the labor movement, an array of laws on workers insurance was passed on June 23, 1912. Insurance legislation has been extensively analyzed in historical scholarship, including scholarship of the present day [3, 4]. Our major interest is the law "On Insuring Workers in the Case of Illness" [5, № 37446], which defined the conditions and perspectives for the development of factory medicine. It will be helpful to briefly review the contents of this law. Through passage of this law, workers received the right to benefits (including free medical assistance) in the case of illness, pregnancy and childbirth. Benefits were paid for by insurance premiums. The insurance system was achieved through the establishment of health funds initiated by business owners, the participants of which were their hired workers.

The funds were to be used to establish and maintain medical facilities and provide medical assistance in the case of illness. Fund resources were based on the premiums of white and blue collar workers at the rate of one to two percent of their earnings, as well as factory owner premiums paid at two-thirds the rate of the premiums paid by workers. The factory owner was obliged to provide fund participants with emergency care and outpatient treatment. Providing hospital aid was at his discretion and the law did not guarantee it. Three possible solutions to the problem were stipulated: the establishment of a hospital by the factory owner, a contract with a health insurance fund or with a public institution for the organization of hospital assistance, and finally, treatment provided at the expense of the factory owner in accordance to that offered to the local population at local hospitals (p. 46, 47). The issue of obstetrics was left unresolved. The law did not establish obligatory norms in the organization of treatment clinics. It did not specify required occupancy rates, nor did it define the type of medical personnel required to staff the facilities (allowing for doctors to be replaced by medical assistants). Two additional issues were also left unresolved: the treating of contagious patients, and the right of the doctor to work independently of the factory owner. The conditions of the law applied only to worksites that were subject to factory inspections (in a "qualified" industry), where oversight was applied to medical aid. Workers at prison or military worksites, workers at small factories consisting of fewer than thirty employees, a significant faction of railway and construction workers, and members of the service industry were not covered by insurance. As a result, around two million hired workers (around 20 percent) were insured. Contemporary estimates of the total number of hired workers in 1913 are at 9.2 million [6, p. 78].

The medical community, including the Society of Factory Doctors, considered the law of 1912 to be a big step backward in comparison to the document, passed in 1866 [7, p. 964], which obliged factory owners to provide hospitals containing one bed per one hundred workers [8, p. 212]. The major question that worried the medical community was who should organize medical assistance for factory and plant workers. Should it be the manufacturers, the insurance funds, or should the responsibility be transferred to autonomous state and city governments? It was clear that the matter of providing medical aid to workers should not be decided by manufacturers. At the 7th Pirogovsky Conference, doctors who believed it their duty to support worker initiatives passed a resolution, stating the necessity of allowing insurance funds the right to establish medical units on their own [9, p. 1009–1010].

At the end of the 19th century in Yaroslavl Province, one of the more industrialized regions of the country, 237 out of 6,604 factories (with a total population of 31.1 thousand workers) underwent factory inspections. From 1911 to 1944 the number of visits had decreased to 201factories (with a total population of 36.9 thousand workers). Data for the year 1913 shows that twelve factories had their own hospitals and outpatient clinics (with a total of 431 hospital beds). Another seventeen factories offered reception rooms with anywhere from one to ten hospital beds (for a total of 57 beds, including beds for women in childbirth) [11, p. 8–9]. On average, one hospital bed was needed for every 68 factory workers. The healthcare provided by factory clinics was often used not only by workers, but members of their family, and in a few circumstances, residents of nearby villages. Starting in 1905, workers at many of the large factories in Yaroslavl began to receive sick pay at the rate of half of their earnings as a type of charity, without having to make any deductions from their salary.

After the law of June 23, 1912 was enacted, it was recommended that owners of 26 factories in the province with more than 200 workers should provide funds for health insurance. Work on creating such funds commenced that very year, and proceeded through a number of stages. First, the issue was discussed at a meeting of manufacturers. Second (at the beginning of September, 1912) elections were held to elect representatives to discuss a charter for a healthcare fund at four different worksites – Yaroslavl Large-Scale Manufacturing, the largest industrial site of the province (10,300 participants), the mechanical plant of "The Trading House of A. Smolyakov and Sons" (District of Yaroslavl), the sawmill and plywood factory of "The Trading House of D. Zhakov"

(District of Yaroslavl), and the mill of "The Heirs of Galunov" (Rybinsky District), all of which had from 210 to 380 participants. A bit later elections were held for representatives to discuss funds for a number of additional sites, including the glue factory and spinning factory belonging to "The Volga Association of Spinning Manufacturing" (both of which were located on the Volga, Myshkinsky District), the rope factory of M. N. Zhuravlev (Rybinsky District), the chemical and lead-bleaching factories and sawmill belonging to "The Trading House of V. Dunaev and Sons" (District of Yaroslavl), and the factories belonging to "The Industrial Trade Association of P. Olovyanishnikov" (City of Yaroslavl, District of Yaroslavl).

Elections took place under conditions of a worker's movement that was gaining momentum. At the company of Yaroslavl Large Scale Manufacturing, the Russian Social Democratic Workers Party (RSDWP) issued a proclamation calling for a boycott of the government initiated elections. The agitation was unsuccessful. The elections took place, with 13,5% of the ballots rejected as invalid, and all 50 elected representatives participating in discussions on the charter for an insurance fund. Elections were successfully held at Galunov's mill. However, workers boycotted the elections at a number of worksites. The largest numbers of boycotts took place at the factory of "The Trading House of D. Zhakov". At this site, 94.5% of ballots were found invalid [12, d. 72, l. 7–7]. At Zhuralev's factory, workers went on strike as a sign of protest. Considering the reasons behind the displays of protest, the senior factory inspector for the province acknowledged the factory owners' apathetic and formal attitude toward the provision of healthcare funds, and their failure to explain to their employees the conditions of the new law. In the absence of the necessary information, workers failed to see the advantage of health insurance. [12, d. 72, l. 7].

In October, worksites at which elections had taken place submitted notices to the factory inspector, announcing the opening of funds. After this, a number of other worksites followed suit, including the wool spinning plant owned by "The Association of Norsk Manufacturing" (City of Yaroslavl; 1,378 employees), "The Auction Association of M. Dunaev" (City of Yaroslavl; 1,092 individuals), "A. Lokalov's Gavrilov-Yamsky Association of Manufacturing and Linen Products" (District of Yaroslavl; 3,647 individuals), "The Association of Romanovsky Linen Manufacturing" (City of Romanovo-Borisoglebsk; 2,388 individuals), the linen and textile plant owned by "The Association of Rostov Manufacturing (City of Rostov; 1,457 individuals)[1]; and a number of other worksites with populations exceeding 500 workers, such as the factories of "The Association of N. Ponizovkin and Sons" (Districts of Danilov and Yaroslavl), "The Auction Association of the Heirs of I. A. Vakhromeev", the porcelain factory of "The Association of M. Kuznetsov" (Romanovo-Borisoglebsky District), a match and tobacco factory and others. In total, 27 large scale worksites, and a few additional small scale factories with no fewer than 200 workers had announced the opening of healthcare funds.

The list of work sites having announced measures to organize healthcare funds grew during the following year of 1913. According to data from March 15, 1914, a total of 48 funds were accounted for in the province of Yaroslavl, incorporating 41,896 participants from 127 different organizations. Worksites employing fewer than 400 workers created mutual healthcare funds. However, only 15 funds were operational (23 worksites, 25,349 participants), while the rest remained in the initial phases of development [12, d. 72, l. 44–45]. In a year's time, 46 healthcare funds were operating in the province of Yaroslavl (40,088 participants, including 16,756 women). Additionally, 37 individual funds at 37 worksites (35,541 participants) and nine mutual funds at 83 worksites were also in operation. One mutual fund remained at initial stages of development [12, d. 72, l. 113]. In this way, insurance had gained a foothold at all large and mid scale worksites. The number of insured workers surpassed the number of those employed in "qualifying" industries. These discrepancies can be explained in terms of errors in statistical accounting, as well as changes in the numbers of working individuals.

The project to charter a health insurance fund was initiated by factory owners and ratified at a general meeting of participants on the basis of a

[1] Data regarding the number of workers are for the year of 1913.

standard charter. The charter specified the goal of creating the fund, which was to render assistance in the case of illness or accident. Additionally, the charter spelled out its legal authority, rules of procedure and government, rules for appointment and determination of benefits, sources and assets of the fund and other aspects as well.

A charter for a health insurance fund at Yaroslavl Large Scale Manufacturing was ratified in 1913 [13, d. 275]. In accordance with the charter, daily benefits were paid out in the case of illness or accident resulting in the loss of the ability to work, as well as in situations of childbirth or death (for burial). Benefits accrued in accordance with the rate of daily earnings, and consisted from one-half to two-thirds of the family's income, and from one fourth to one half of the daily income of an individual employee, starting from the fourth day of illness (§ 12). Benefits for childbirth were paid at the rate of fifty to one hundred percent of earnings for a period of two weeks, up to the fourth week after the birth of the child (§14). The family of a deceased worker received benefits in the amount of twenty to thirty times the worker's daily wage (§ 15). The fund was financed by the premiums of the worker participants, additional payments made by the factory owners, and the income and assets from other acquisitions. Worker participants of the fund paid out one to two percent of their earnings. The amount of additional payments made by the factory owners was to equal two-thirds of total participant premiums (§ 30), that is, its percentage of the entire sum of premiums was equal to two-fifths of the entire fund. The charter included a condition regarding the factory owner's obligation to provide free healthcare (§ 23).

Business relating to the fund was managed by a general assembly. Reasons for a meeting of the assembly included the election of members to the board and auditory commission, the review of yearly accounts, budget approvals, the ordering of audits, determining the amount of premiums, publication of rules, resolutions, et cetera. General meetings were conducted once a year where a factory owner was designated to preside. The make-up of the committee was composed of authorized representatives of worker participants in the fund who were chosen by a secret ballot of fifty members, and representatives of factory owners, who were designated at each meeting. Factory owner representatives were to make up a quantity of the total votes equal to two-thirds of the votes of those present to represent the participants of the fund (§§ 58, 63, 65, 70). For example, at the general meeting of 1917, there were 46 worker representatives and the following 4 representatives from the management: the president of the assembly and manager of Manufacturing , A.F. Gryaznov who casted 9 votes, as well as A.B. Nikiforov, I. A. Rusanov and S.P. Shvyrev who all casted 7 votes. All together, management representation made up 30 votes compared to the 46 votes allotted to employee representatives [13, d. 9905, l. 11]. A board consisting of eleven people plus one presiding chair was in charge of managing fund business (accounting for the insured and the sick, verifying incidents of reported illness, designation of cash benefits, monitoring the prompt payment of fund contributions, et cetera). Board members included six who were elected by the general assembly, and five who were appointed by the factory owner, and the factory owner himself or a representative who presided over the board on his behalf (§ 78–83, 90). The assembly was always attended by representatives of law enforcement. A police officer had the right to close a meeting, if he witnessed one or more of the following: a violation of orderly process, the evasion of agenda items, or if the meeting took a "character which threatened public safety". For example, judgments had been made that "incited class hatred", or disseminated "written or spoken calls for criminal action" (§ 68). The agenda for a general meeting had to include items suggested by the company owner, as well as collective proposals signed by no less than one fourth of the worker representatives.

The charter thus protected the business interests of the factory owner and ensured political loyalty to the health insurance fund.

We have at our disposal for analysis the charter of a general health insurance fund for a printing house and a shell casing factory in Yaroslavl, which was ratified on March 31, 1914 [14]. Fund participants came from eight small enterprises in a provincial *zemstvo*, including a small printing house. The number of insured for this fund is unknown. The major difference between this document and the charter from the Yaroslavl Manufactory is that it does not prescribe any obligation on the part of business owners

participating in the fund to organize healthcare. Upon the approval of factory owners, the health insurance fund could do the following: take on the responsibility of providing outpatient and hospital care, including obstetrics (§ 24), organize and maintain their own outpatient clinics, emergency rooms, hospitals, and maternity wards, as well as enter into agreements with local governments or private clinics for the provision of healthcare (§ 25). The fund retained the right to take any of the actions described above; however, it was not legally obliged to take any action. The agreement with the owners of the enterprises on providing fund participants with up-to-date medical care lay outside of the purview of the agreement signed by the factory owners. The lack of clarity in the language concerning the most important issue – the provision of healthcare – is striking. Not surprisingly, this issue was left unresolved.

The first proceedings of the general assembly for Yaroslavl Large Scale Manufacturing's healthcare fund took place on December 1, 1913, where a board was selected that included chairman, A. F. Gryaznov (representative of management in charge of manufacturing). In addition to the board, an auditing commission was selected. The assembly confirmed the budget for 1914, including figures for the premiums for fund participants (in the amount of 1.65% of earnings), amounting to 44,385 rubles, as well as for the premiums for The Yaroslavl Association for Large Manufacturing, amounting to 29,590 rubles. The overall assets of the fund came to 73,975 rubles [15, d. 273, l. 7]. The assembly accepted the proposal of management regarding the amount of benefits to be paid: two thirds daily wages in the event of a family illness, starting from the fourth day of illness plus a one-time payment of one-half daily wages, two-thirds daily wages in the event of child birth (for a period of two weeks up to four weeks after the birth of the child), and death benefits in the amount of 25 times that of one day's earnings [15, d. 273, l. 136–136 gen.]. In certain situations, benefits could be received by family member fund participants. For example, the wife of a worker could receive five rubles after the birth of a child. The assembly established rules for claiming benefits, and instructions for insurance inspectors visiting claimants. The rules anticipated the necessity of paperwork such as documents regarding illness, frequent emergency room visits, and of course doctors' prescriptions, as well as documents regarding other requirements. Inspectors were given the duty to oversee those recovering from illness at home. An inspector was charged with making unannounced and documented visits to the claimant at least once a week [15, d. 273, l. 161–166].

During the year of 1914, fund participants were awarded benefits in the sum of 47,548 rubles and 92 kopeks. Family members of workers received a total sum of 4,471 rubles and 46 kopeks. The total number of paid days was 144,277. Benefits were awarded to 387 victims of accidents, 5,319 claimants who had suffered an illness, and 785 claimants who had given birth [15, d. 273, l. 62, 69]. At the end of 1916, the fund included 11,743 participants. The total assets for the fund were 121,914 rubles and 3 kopeks (premiums for fund participants equaled 70,764 rubles and 37 kopeks, premiums for management equaled 47,176 rubles and 23 kopeks). Fund participants received benefits in the amount of 97,479 rubles, and their family members received benefits in amount of 4,143 rubles, for a grand total of 10,090 rubles worth of benefits [13, d. 9905, 59–61 approx., 63 approx.]. From 1915 to 1916 the general assembly introduced a couple of changes to the conditions of benefits. Changes included an increase of benefits in the event of death from 25 to 30 times the rate of one day's pay, and the eligibility for family members of fund participants to receive benefits for treating illness. A corresponding amendment was introduced to §23 of the fund charter, which stated that management assumed responsibility for providing health insurance not only to its employees, but also to members of their families. The last general assembly of the health care fund took place after the February Revolution on March 25, 1917.

The assembly concluded with the adoption its infamous resolution, entitled "The Chains of Slavery Have Been Broken, The Tsarist Government, Enemy of the Workers, Has Been Overthrown, and The Workers, as Citizens of a Free Russia Express their Wish that Insurance Law and the Law of Pre-Revolutionary Russia be Reviewed, and that Insurance be Provided to All Individuals, Including the Elderly and Orphans" [13, d. 9905, l. 13]. The work of Yaroslavl's

Large Scale Manufactory's healthcare fund had demonstrated the potential of resolving one of the most important social issues through collaboration between workers and factory management.

There is practically no existing information regarding the operations of other healthcare funds. We have only the scantest data regarding the fund of the Lokalov Associates' Gavrilov-Yamsky Manufactory, established in January of 1914 (4,021 participants). The workers' insurance premium, which was paid at a rate of one percent of earnings, was compensated by an increase in wages. The budget of the fund for 1914 was around 15 thousand rubles. In the first half of 1914, 695 individuals received benefits in the sum of 5,252 rubles. These figures include 154 instances where benefits were received in the event of the birth of a child. Women bearing children were afforded benefits in the amount of one-half of daily earnings for a period of 6 weeks, and a one-time payment of one-fourth of their daily pay. A direct link between the introduction of health insurance and an increase in worker appeals for medical assistance was immediately apparent. For example, visits to the emergency room had increased from 15,718 for the first half of 1913 to 17,711 for the first half of 1914. Whereas there were 446 admissions for hospital care from January to June, 1913, the number had increased to 566 for the same time period in 1914 [16, vol. 2, p. 1–3].

In the province of Yaroslavl, insurance funds lacked the necessary assets to take on the responsibility of providing worker healthcare. Their abilities were limited to the payment of cash benefits. It was company management that primarily worked on establishing healthcare. The conditions of the law of 1912 made it possible for manufactures to decrease expenses for medical treatment at factory hospitals. It was also beneficial for the owner to completely abandon hospital treatment for workers and shift the responsibility to rural and city governments. By opting to provide healthcare through local governments, the factory owner significantly decreased his expenses, paying only for the treatment of the individual through factory and mining taxes levied by the province. Besides the tariff, the factory owner was not responsible for any additional expenses. The transfer of healthcare to the public sector inevitably led to the establishment of norms regarding reductions to expenditures that would have been impossible for the manufacturer to establish on its own.

Medical units at large worksites in the province remained, but the network of factory hospitals grew no further. The hospital at Yaroslavl Large Scale Manufacturing was the province's largest and best-equipped industrial medical facility. From 1910 to 1944, in terms of its occupancy and the number of medical professionals it employed, the only medical facility that surpassed the hospital at the Manufactory was the local provincial hospital. During this period, the number of hospital beds at the facility increased from 100 to 120. In 1915, medical personnel at the hospital included five fulltime doctors and one part-time doctor (once a week an ophthalmologist worked in the outpatient clinic), twelve medics, four obstetricians, five pharmacists and five sisters of charity.

Information regarding the province's factory inspections for compliance with social insurance legislation is limited to the year of 1915. In this year, inspectors conducted 272 audits of industrial manufacturing sites, including 29 sites that were not subject to their supervision. Audits revealed eleven violations of the rules and regulations for the protection of the worker life, health and well-being. In two cases, official reports were filed and resulted in court proceedings. On 50 occasions, management formally agreed to compensate accident victims, through an agreed sum of benefits or pension. In six different situations, both sides failed to come to an agreement [12, d. 72, l. 118 approx.–119].

Of the 164 complaints submitted for mediation regarding the absence or unsatisfactory provision of healthcare, four were filed in 1915. In 1903, seven complaints for failure to provide healthcare were submitted and seven were filed for the failure to grant any or adequate benefits in the event of illness. The remaining complaints, both individual and collective (595 in total), concerned earnings, working condition and other problems [12, d. 72, p. 118]. It is unlikely that the small number of complaints regarding factory healthcare can be explained by its efficient implementation. A more likely explanation is that workers were simply unaware of the terms of the law and wanted to avoid conflict with management.

Rural councils anticipated that manufacturers would turn to them for assistance in providing

healthcare to their employees. In anticipation of the need to provide healthcare to factory workers, the medical council decided to use local district doctors to gather information regarding all of the industrial sites, such as numbers of employees, access to healthcare, as well as the distance from a worksite to the closest medical facility [11, issue. 1, p. 62].

As was expected, these actions prompted small factory owners to appeal to the local governments. In February of 1914, at a meeting of the Rybinsky Rural District Board, members discussed the proposal of A. P. Galunov (flour mill) to enter into a contract with the Rybinsky District hospital regarding worker healthcare. The board decided to reject the proposal, because the hospital did not even have enough space for local residents [11, issue 2, p 45].

In March of 1914, a number of similar requests from area trading companies and industrialists were considered by the local board in the rural district of Rostov. Organizations making proposals included The Rostov Linen Manufactory of "The Associates of I.A. Varkhomeev", "The Trading House of A.P. Selivanov and Sons", "The Trading House of F.F. Strizhenov and Sons", and "The Trading House of the Heirs of E.E. Egorychev". The board needed to clarify a number of issues. For example, it needed to determine how obstetrics and inpatient and emergency care were to be provided. Questions regarding medical supplies, costs, hospital occupancy rates, the frequency at which workers would require medical examinations, and the type of personnel (doctors versus medics) that would be needed to staff medical facilities were also considered. It was unclear with whom an agreement should be signed: with manufacturers or with the healthcare funds that had yet to be fully established. It became clear during negotiations that management from different organizations had differing requests. There was, however, a common need for the district hospitals to hire beds, as well as for the organization of outpatient care to be administered by the district doctor. Furthermore, management from The Rostov Linen Manufactory expressed a desire for doctors to make house calls and for all employees to receive medical examinations twice a year. Management from The Associates of I.A. Varkhomeev requested that the district pharmacy provide healthcare, a request that was seconded by the Egorychev Trading House, with the provision that such healthcare should be provided free of charge. After consulting with the employers, the board agreed that it was desirable for the district to participate in the provision of healthcare to factory employees. It went on to suggest that agreements regarding the provision of hospital beds, outpatient care, and pharmaceuticals should be considered separately. Most importantly, the board concluded that "the only rational solution to the question was a complete merger of the two healthcare systems" [11, issue 3, p. 80].

In May of 1914, the district council of Yaroslavl discussed the possibility of entering into contracts with area industrialists, Zotov and Nekrasov, for the provisioning of healthcare. The contract with Zotov concerned inpatient and outpatient care for workers at his factory, whereas the contract with Nekrasov concerned only the provision of outpatient care. The Mologsky medical council, in accordance with the proposal of the district council, worked out the conditions of a contract with the lumber mill belonging to the Auction Company "*Stroitel*". The council estimated the cost of inpatient and outpatient care, hospital maintenance, as well as the cost of furnishing one hospital bed to the hospital at Koporje (100 rubles) [11, issue 5, p. 12, 25].

District healthcare had been put in a difficult position. The districts were trying to improve worker healthcare and raised the question of absorbing factory healthcare into the district system. The rural council of Yaroslavl was in a complicated position regarding this issue. On one the hand, the creation of a single network of healthcare available to everyone was logical. Factories and factory townships were located within the confines of the district, and, due to the high concentration of workers and the unsanitary conditions of their work and daily life, factories presented a danger to the general population as locations where epidemics of infectious disease could be easily cultivated. On the other hand, the districts believed creating such a healthcare network would be next to impossible. The number of available hospital beds did not satisfy the demand presented by the populations, and district hospitals were overflowing with patients.

The lack of hospital beds, the insufficient quantity of medical facilities as well as the remoteness of factories from medical units created obstacles for the provision of healthcare to factory employees.

The growth of the network of medical facilities required significant expenses. The local district did not possess the means to build hospitals for workers, and the private companies did not want to take on construction expenses. Furthermore, private companies were also trying to minimize the expenses associated with providing healthcare to their workers through district hospitals. Thus, a district inspection of factory and mining operations estimated the cost of one day spent by a worker in a district hospital to be one ruble and fifteen kopeks. The district medical council did not agree with this estimation, citing the estimations failure to account for all district expenses, in particular, expenses allocated for operating personnel at hospitals [11, issue 5, p. 12]. Upon execution of the contract with the district hospitals, manufacturers tried to limit their responsibilities to outpatient care only, which contradicted the principles of local health care.

For the 6th Conference of Doctors and Representatives of the Districts of the Yaroslavl Province in 1914, doctors prepared a variety of documents describing working and living conditions, including the availability of healthcare at a number of large worksites. In accordance with the data presented, by 1914, medical assistance in one form or other was provided to 80% of workers in the Province of Yaroslavl [16, p. 2]. It was noted that the larger the worksite, the better organized its healthcare services. Having discussed the state of affairs resulting from the adoption of the law of 1912, the conference came to the conclusion that contracts between companies and local districts "were only necessary on the rare occasion when local facilities were poorly developed within the Province of Yaroslavl". Based on the agreements, the conference decided to propose general principles to be followed within the local districts. The principles suggested were as follows. Exhaustive services, including the provision of inpatient and permanent outpatient healthcare, should be offered by one and the same hospital. The distance from a worksite to a medical facility (including outpatient facilities) should not exceed two versts. Situations constituting emergencies were to include epidemics and unfortunate accidents. Mandatory general check-ups were unnecessary. Except for current expenses, cost of services for medical assistance should factor in depreciation expenses. The participants of the agreement included health insurance funds and company owners [16, p. 2–3]. The provincial medical council supported the position of the conference [11, issue 5, p. 51]. The task of continuing their study of the working and living conditions, morbidity and mortality rates of workers remained before provincial medical officials. The world war that had recently broken out did not, however, allow for the research to be concluded.

By 1917 and the period of revolutionary upheaval, the problem of providing healthcare to factory workers was far from being solved. A mechanism for social partnership, healthcare funds, had been launched, but did not succeed in garnering support. With the establishment of the Soviet government, the system of social insurance fundamentally changed. In the Soviet system, Soviet State Healthcare took the place of medical insurance.

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