

# Mediaram in USA: 40 Years in Review

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# Health For All

"Medical care will free millions from their miseries. It will signal a deep and lasting change in the American way of life. It will take its place alongside Social Security and together they will form the twin pillars of protection upon which our people can safely build their lives and their hopes." President L. B. Johnson, 1966, on Medicare

# Federal Health Programs

- Total Coverage: 129 Million Beneficiaries
- Medicare: 47 Million (2010)
- Medicaid: 59 Million (2006) ^
- Children's Health Insurance: 4.9 Million (June 2009) ^
- Veterans' Administration Health Affairs: 5.5 Million \*
- Tricare: 9.4 Million – active/retired military & families
- Indian/Native American Health Services: 2 Million

# 1965 Medicare Legislation

- Health coverage at 65
- Long Term Goal : Universal Coverage for whole population (unrealized)
- 1966 Beneficiaries: 19.5 Million – 65 and over
- 2010 Beneficiaries: 47 Million – 65 and over, disabled, and ESRD
- Total Benefit Payments in 2010 = \$509 Billion

# 1965 Medicaid Program

- Companion program to Medicare
- Coverage for people in poverty
- Combined federal & state program
- Template for experimental health insurance (i.e. working children in low-income families)

# Reform in Question



# Medicare - Payments & Services

- Part A – Hospital Coverage: 37% - payroll taxes (employers/employees/self-employed). 13 % - income tax paid on Social Security/trust fund investments' interest/ premiums payments. 43% - general revenues (Source: Kaiser Foundation September 2010).
- Part B - Doctors, lab services, durable equipment, etc.
- Part D – prescription drugs and administrative services.
- Parts B and D paid by funds approved by Congress, premiums paid by enrollees in B and D, interest on trust fund investments.
- Part C- Medicare Advantage, allows enrollment in specified private health plans for Medicare beneficiaries

# Medicare Population Characteristics

- One half (47%) have incomes below 200% of poverty line (\$21,660 for individuals /\$29,140 for couples in 2010)
- More than one quarter of all beneficiaries with a cognitive/mental impairment,
- More than one quarter in fair or poor health.
- Eight million beneficiaries (17%) are nonelderly people with disabilities.
- Two million beneficiaries (4%) live in a long-term care facility.  
(Source: Kaiser Foundation September 2010)

## Medicare Outcomes - Positives

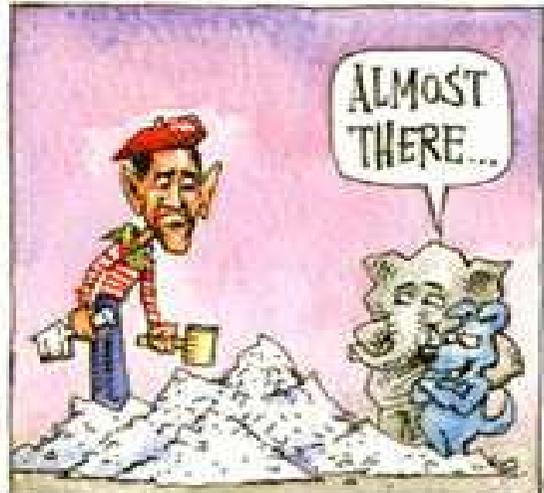
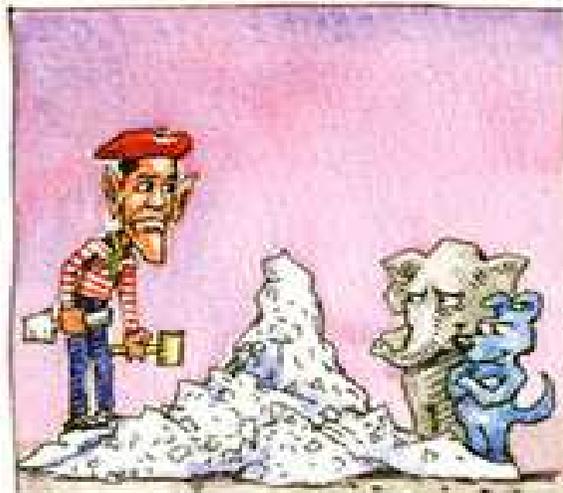
- In the 1960s, rapid desegregation of hospitals in the South.
- Funds for medical training of physicians.
- Allowed for payment to doctors in and out of hospitals. Previous health plans only paid doctors for in-hospital services.
- Development of efficiency measures: Diagnostic related groups (DRGS), established length of stay categories for hospital stays. Hospice services for terminal illness, end of life care.

# Medicare Outcomes - Negatives

- Free-standing services/clinics/ for dialysis and other technological services paid for by Medicare .
- Excess in end of life care.
- Focus on drug, surgical and technology development for older population (i.e. - hip replacement).

# Compromise & Reform

POLITICS IS  
*The Art of Compromise*



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