Rising Cost of Heath Care

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Rising Costs of Health Care

The Origins: The Johnson Reform of 1965

The American health care system underwent a first reform movement under the mandate of Democratic President Lyndon Johnson (1963-1969). In 1965, with the Social Security Amendments , Johnson created the first two public health insurance systems in the United States: "Medicare" and "Medicaid". "Medicare" allows elderly and disabled people to benefit from compulsory health insurance, financed by a payroll tax deducted from wages and a federal subsidy. Financed by the states (40%) and the federal state (60%), "Medicaid" covers the most destitute, means-tested, with the eligibility thresholds varying considerably from one state to another. According toUS Bureau of Statistics , these two devices affect 35% of the US population, or more than 100 million people in 2014, a figure in sharp evolution since the introduction in 2010 of the Patient Protection and Affordable Care Act (ACA) , better known as Obamacare. This reform, which extends the health insurance coverage, modifies the financing of the health system and promotes innovations to modernize the supply of care, is the largest company since 1965.

The Patient Protection and Affordable Care Act (ACA), or Obamacare

Extension of health insurance coverage

Between 2010 and 2015, Obamacare reduced the number of US adults not covered by health insurance. Nearly 17.5 million uninsured would have taken out coverage, according to information from the Office of the Assistant Secretary for Planning and Evaluation ( ASPE ). The rate of uninsured in the United States would have reached an historical level of 11% in the second quarter of 2016, according to the Gallup-Healthways Well-Being Index. This rate remains very important; however, the goal of President Obama is to reach 0% of uninsured. Of the 37 million adults not covered in 2010, this would have risen to nearly 20 million. This decrease is due to four main measures: the introduction of regulations that oblige private insurers to cover children who depend on their parents until the age of 26; the creation of a " market place " to find a coverage adapted to the wealth situation of each; expanding the Medicaid program through a grant from the federal government; and the regulation of the private insurance market.

Reform of health system financing

Obamacare has also made a complete overhaul of the healthcare financing system, through fiscal and regulatory measures. Wage contributions, on which the financing of the "Medicare" program depends, increased from 1.45 to 2.35% and were extended to total individual incomes above $ 200,000 a year, and to households with higher incomes. income over $ 250,000 a year. At the same time, the share of public spending in total health expenditure in the United States increased by 3 points: from 45% of the total expenditure in 2007, it represents 48.3% in 2014, according to data from the World Bank (in the OECD, it oscillates around 60% over the last decade).

Federal regulation of private insurance

Coming into force in 2014, the federal regulation of private insurers regulates the insurance market to make health insurance more accessible to Americans. This is one of the essential elements of the reform, yet little publicized in France. Obamacare is primarily a plan for regulating private health insurance in the United States. The new regulations prohibit the taking into account of medical history, the annual reimbursement limits, and the limits on the dependent remains determined according to the income of the insured. Insurers must offer preventive measures, renounce price discrimination and clarify their documents in order to facilitate choice and competition. In addition, they must cover a minimum basket of services, including prevention.

Promoting Innovations and Experiments to Modernize the Healthcare Supply Structure The

least known part of the reform, and yet central, Obamacare has also created the Center for Medicare and Medicaid Innovation (CMMI); a budget of $ 1 billion a year, which promotes innovation in the provision of care. The CMMI allows the implementation of experiments to modernize the health care system and improve its performance. It stems directly from ACA Title 3 " Improving quality and efficiency of health care ". The experiments allowed by the CMMI concern both the payment system and the struggle to reduce the medical deserts, attracting young practitioners in areas where the supply of care is the most sparse.

What remains to be done?

While the rate of people covered by health insurance, public or private, has improved in five years, coverage remains a relative success (11% of Americans remain uncovered) and the problems of structuring and efficiency of the system are far from being solved.

The United States remains the country that spends the most on the health of its inhabitants: 17.1% of GDP, $ 9,400 per year and per capita. France, which devotes a significant part of its expenditure to health, devotes 11% of its GDP and $ 4,035 (3,600 €) per capita (OECD Health Statistics, 2016). Despite this significant financial effort, the US system remains underperforming compared to other OECD systems. The United States is indeed below the OECD average in terms of life expectancy at birth (78.8 vs. 80.5 in the OECD) and infant mortality (0.05% vs. 0.038% in the OECD) and remain the largest country obesity (35.3% of the population aged 15 and over, compared with 19% in the OECD). Finally, despite large expenditures, the country fails to increase its medical density: with 2.6 doctors per 1,000 inhabitants (3.3 on average in the OECD) the number of annual consultations per capita is among the highest OECD (4 on average, compared with 6.6 in the OECD). Significant margins of progress remain, in a country yet resistant to any reform concerning its health system. Kane, (Sunanda, and Fadia Shaya,)

Thus, Obamacare alone can not solve the problem of coverage or the problem of inefficiency of the system. These reservations aside, note that the Obama reform is an important step, won hard struggle against conservative forces, and probably irreversible. The conservative governments of Reagan or Bush have never returned to the creation of "Medicare" and "Medicaid", to which Americans, including Republicans, are now deeply attached. After promising his repeal during his campaign, the future US President Donald Trump recently announced that it could retain certain measures provided for by the ACA. Among these, the prohibition for insurers to take into account the medical history of the persons covered or the obligation for private insurers to cover children who depend on their parents until the age of 26 years.

Deregulation of health care

 More than any other country in the world, the United States has adopted a capital-intensive system of health care distribution. Capitalism has certainly demonstrated its superiority over any other economic system in the creation of consumer goods and services. The question is, is it also the best system for health care? As one American commentator put it, it's a bit like citizens paying a premium of $ 30 a month to private insurance to cover the risk of having to go to the barber. Would not it be more efficient to go to the hairdresser directly and pay 15 dollars? The probability of a person having to resort to health care during their lifetime is close to one hundred percent. (Kelly, Porr, 2018) "

 This is a big problem for doctors: each insurance company uses different rules for the payment of visits, places different obstacles for referrals to specialists, different lists of medicines they agree to pay, and so on. This produces huge amounts of paperwork, and to allow this system to work, medical visits to the United States are much better paid (from the doctor's point of view) than in Belgium. A well-managed medical practice generates a lot of money, but also employs a lot of people.

The solution to this problem seems obvious: a single insurance company, a single set of administrative documents, a single set of operating rules for the relationship between the insurer and the care provider. The debate currently raging in the United States regarding health care reform is completely poisoned. Health industry lobbies spend $ 1.4 million a day to influence representatives and senators in Washington. They continually brandish the scarecrow of "socialist medicine" (Ricketts & Fraher, 2013).

The government is the problem"

What is the reform proposed by the Democrats in the House of Representatives? To begin, the creation of a regulatory system of health insurance companies, aimed at limiting the excesses mentioned above. Basically it is to make it more difficult for insurers to deny care to their policyholders on the basis of more or less honest pretexts.

Secondly, try to significantly reduce the number of unemployed by creating mandatory premiums for employers and employees. Health insurance will become mandatory for most working Americans.

Finally create a "public option" that would be a new state insurance company that would aim to compete with private insurance and also cover all people who fail to secure in the private. All countries in the world are struggling with the problem of increasing the cost of health care. America has the additional problem of believing in free enterprise so much that it has made it a religion. More than half of Americans have developed since the Reagan years an absurd mistrust of anything related to the government.

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