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## Health Care Delivery Systems: From Privilege to Right- Society's Changing Perceptions



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## The 2000 Election: Gore Pledges a Health Plan for Every Child

v 9/7/99 New York Times, V.P. Al gore proposes expanding access for children to affordable health insurance by 2005

Φ Since 1990 2.5 million additional children are uninsured, the total now stands at 11 million

Φ Children's Health Insurance Program (CHIP)... billions to states by federal government, Gore would have expanded eligibility for the program by increasing the limits on family income and by allowing some parents to enroll with their children

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## Campaign 2004 (from Johnker [redacted])

v Washington, DC - "The Kerry-Edwards campaign Tuesday unveiled a new 30-second television ad pointing out the very real differences between the health care plans of John Kerry and George W. Bush".



v "While Kerry has a plan to lower costs and expand access to coverage, the ad reminds voters that President Bush's wrong choices have sent prices skyrocketing, and his wrong plans for America would increase premiums for four out of five small businesses and increase the uninsured by over one million individuals".

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## Campaign 2004 (from georgewbush.com)

- v Established new, tax-free Health Savings Accounts (HSA) which **allow Americans to own and control their own health care**
- v Opened or **expanded community and rural health centers** with the goal of serving an additional 6.1 million people who live in underserved and rural areas
- v Granted waivers and flexibility to states to **extend eligibility under Medicaid** and the State Children's Health Insurance Program (SCHIP) to an estimated 2.6 million low-income Americans
- v Implemented a new rule to **lower drug costs for millions of Americans** by strengthening competition between generic and brand-name drugs, saving American consumers more than \$35 billion in drug costs over the next ten years. **Created a Medicare Prescription Drug Benefit** to help seniors pay for their medicines

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## Campaign 2004 (from votenader.org)

v Ralph Nader-

Φ **"Our pluralistic health care system is giving way to a system run by corporate oligopolies. A single-payer reform provides the only realistic alternative.**

Φ "Although we can easily provide universal, single-payer health insurance for the same amount that we spend and waste on health care now, public funding will be required to replace the portion now paid for by employers and individuals".

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## Ethics and Healthcare

v Justice: Providing a person with what is due

Φ Distributive justice: providing the proper distribution of social benefits and burdens in a community

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## Ethics and Responsibility in Dental Care

- v Who is responsible for health
  - Φ Society as a whole
  - Φ Each individual's responsibility
    - 2 Broad questions
      - How would you answer?

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## Individual Lifestyle Choices Are a Major Factor in Determining a Person's Health Status

- v Don't smoke
- v Drink in moderation
- v Eat a varied diet that is low in saturated fats and includes fiber
- v Get enough sleep
- v Exercise regularly
- v Click-in the car's seatbelt

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## Many Health Outcomes Are Not Determined By The Individual

- v Mentally or physically handicapped, through no fault of their own
- v Poverty
- v Exposure to second hand smoke
- v Accidents

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## Addictions

- v Cigarettes: before consequences of smoking were broadly known
- v Alcoholic or drug-addiction in response to great social or personal pressures
  - Φ Who is responsible?
  - Φ Society? The Individual? Both?

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## Disease Is Compounded by the Ability to Pay for Care

- v Who should we cover?
- v What diseases should be covered?
- v Who should pay?
  - Φ Individual
  - Φ Public
    - 2 Federal, State, Local
  - Φ Private
    - 2 Employer, Union

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## If It Is Solely an Individual Responsibility.....

- v Bad luck!
- v Not the case in most developed nations

## Developed Nations

- v Systems in Canada, Australia, Great Britain
- v European health care systems are more developed and extensive than those in the United States
  - Φ In U.S. the healthcare system receives considerable scrutiny and debate
    - 2 Social Security, Medicaid, Medicare, Oregon Health Plan, Managed Care, Clinton National Health Plan
- v American attitudes toward publicly financed social systems differ from those in other developed countries

## Cultural Attitudes Toward Individuals and Social Responsibility: United States and Europe

- v Individualism; Americans cherish their individual rights and freedoms, individualism has been a more powerful cultural force in the U.S. than in other countries (Puritan values)
- v By the 1970's, nation state-sponsored social programs were the norm in Europe, but less so in the United States

- v In Europe catastrophic events (two world wars) hastened the development of social welfare programs, the U.S. escaped the social devastation of those wars

- v The first Social Security Act in the United States was passed in 1935 during the Great Depression
  - Φ Period of social upheaval

## Puritan Ethic: Individualism

- v *Wealth is from toil and hard work*
- v *Poverty is punishment for immorality or laziness*
- v *Strong aversion to paying taxes, particularly for social programs aimed at helping those seen as the "undeserving" poor*
- v *The Great Depression (1930's) challenged this ethic; emergency measures to avert societal collapse*
  - Φ Led to Social Security Act

## The Great Depression

- v First serious questioning of individualism in the U.S.
  - Φ People lost everything at that time through clearly what was no fault of their own
  - 2 Government responded with emergency relief (THE NEW DEAL) measures aimed at avoiding societal collapse
    - Most of these programs no longer exist
      - Social Security survived and became a major institutionalized entitlement that is part of the current debate
      - What is your opinion on social security?

## The Politics of Healthcare

- v General support for government policies directed at health care delivery is found in the argument that access to health care is a right that should be guaranteed to all Americans
- v There are two variations on this argument
  - Φ 1) All citizens have a right of the same level of care

## The Politics of Healthcare

- Φ 2) All citizens have a right to some minimum level of care
  - 2 The American political system has chosen the second, this is not found in any single policy but instead is implicit in the total of a number of narrowly written policies
    - In each instance government has acted to provide access to medical care to narrowly defined groups, based either on economic need or special social circumstances

## Benefits Provided in Government Programs

- v Services to Prevent Life Threatening Diseases
- v Healthcare for specific groups otherwise unable to pay for and receive care
  - Φ The elderly (Medicare)
  - Φ Poor children (Medicaid)
  - Φ Poor adults (Medicaid, and state or local general assistance)
  - Φ The disabled (Medicare and Medicaid)
  - Φ Veterans (Veteran's Administration)
  - Φ Native Americans (Indian Health Service)
  - Φ Renal Failure (Social Security benefits for kidney dialysis and transplants)

**In a democratic society all individuals should be free to pursue their own concept of a productive life, providing a basic level of health care can be seen as a responsibility of government**

- v Specific health care services that are needed to enjoy other basic rights should be available to all; this does not imply that all services, including cosmetic surgery, must be accessible by all people
- v Bayer et al (1988) "All Americans must have access to the full range of necessary health care sources"..... key word is necessary; government is not obliged to provide access to all the services citizens may desire or demand

## What Services Should Be Included in the Basic Tier?

- v Big argument...accepted that there should be some minimum
- v The definitions of the level of services and the class of persons eligible for those services are often the result of political and economic debates as much as any predetermined right to care

### What Services Should Be Included in the Basic Tier?

- Φ Politically charged (dialysis)
- Φ Economically motivated decisions are those that might restrict eligibility for benefits for the services rendered under new policies in order to minimize government spending
  - 2 Controversial when it is economical
  - 2 Decision: a recent decision of the federal government to consider the costs for new procedures before determining whether or not Medicare will pay for them
  - 2 Proper way to do an economic analysis is to compare the cost effectiveness of competing medical treatments, that is when a given condition can be treated in more than one manner, the costs of the alternatives can be compared

### Justification for Government Supporting Healthcare

- v Health care is societal good, that is the benefits to the individual are also benefits to society
  - Φ Policies related to public health such as vaccination against contagious diseases are justified on these grounds
  - Φ In order to secure the social benefits of the absence of disease, programs are established to promote preventive measures

*2 For example, in 1988 the total cost to society resulting from all types of cancer measured in terms of lost productivity and health care expenditures was estimated to be approximately 65 billion dollars*

### Government Policy

- v When the individuals who pay for care (employers) or the availability of health care providers fails to assure access of certain populations, government policies are enacted as attempts to fill in the gaps
- v When access to services is assured, the government is justified in protecting consumers from harmful, inadequate, low quality care
- v Government action is based on the assumption consumers typically lack the necessary information and expertise to assess the quality of care themselves

### Public Policies Influence the Relationship Between Providers and Patients

- v Government programs have been established on the premise that groups of persons needed assistance in accessing quality medical care at a reasonable price, not that medical providers need to be controlled by government
- v The specific care arrangement decision of providers are not dictated directly by government and those private decisions influence the quality and cost of care

### Themes in Health Policy (Falcone and Hartwig 1991)

- v Four periods
  - Φ Quality 1900-1960
  - Φ Access 1961-1972
  - Φ Cost containment 1973-1980
  - Φ Decrementalism 1980-present; a combination of the previous three themes that has been influenced by decentralizing decisions from the federal government to the states and reductions in overall public spending

## Themes in Health Policy (Falcone and Hartwig 1991)

- v Themes are driven by:
  - Φ Political needs generated by specific interest in society
  - Φ Medical and dental professionals who define and protect quality
  - Φ Consumers who demand easier access
    - 2 Toby Cohen "American system is driven by equal access and competition NYT: health care and class struggle; 11/17/91.
  - Φ Payers who include employers and taxpayers who demand lower expenditures

## Quality 1900-1960

- v Development of the health professions and methods of delivering health care
- v State governments were established as the regulators of health professionals and determine qualifications necessary for licenses to practice
  - Φ State governments also regulate health care facilities requiring them to meet specific conditions in order to be certified
    - 2 New York took the first step in 1894 by requiring health standards for private facilities certified by the State Board of Charities

## Quality 1900-1960

- v Government concern for quality of care became more obvious as the practice of medicine became more scientific
  - Φ Early 1900s attention turned to the curriculum being used in medical schools to prepare physicians
  - Φ The National Confederation of State Medical Examining and Licensing Boards recommended a uniform curriculum to all schools in 1904
  - Φ Gies report on dental education

## Quality 1900-1960

- Φ 1910 Flexner report on medical education - encouraged a university hospital-based model for education
  - 2 Following that report, both the medical profession and government agreed to promote scientific education as the proper preparation for physicians and dentists
- Φ Gies report on dental education

QuickTime™ and a TIFF (Uncompressed) decompressor are needed to see this picture.

## Quality 1900-1960

- Φ Food and Drug Act
- Φ National Cancer Act of 1937
- Φ Public Health Service Act of 1944
- Φ Transformation of hospitals into centers of medical excellence (rather than almshouses) began after the Civil War but waits for principal manifestation in the early 1900's (Star 1982a)
- Φ Hill Burton Act of 1946 - grants for the construction of Hospitals

## Quality

- Φ *Government policies promoting better care can be interpreted either as protecting consumers or as supporting health care providers*
  - 2 Government acts when the private sector does not.....child labor laws, safety and building codes, food programs, direct assistance

## Quality

Φ A second interpretation of the policy initiatives of the early twentieth century is that they were promoted by the health care professions to support their centralized control of the permissible practices in health care delivery

## Access 1961-1972

- v Hospitals required to provide charity care, Hill-Burton financed the construction of many hospitals
- v Truman and NHI
- v Medicaid and Medicare
- v National Health Service Corp

## Access to Dental Care in the United States

- v Data from 1994 National Access to Care Survey estimates of the dental care wants in the United States population and in various subgroups
- v 8.5% of the population wanted, but did not readily obtain dental care in 1994
  - Φ 1989; 57% of people in U.S. visited the dentist in the past year (37% in 1958)
- v Prevalence of unmet dental care wants varied by demographic and socioeconomic characteristics

## Access to Dental Care in the United States

- v More people with unmet wants for dental than medical care
- v More Black (15%) versus 7.4% for Whites
- v More people with unmet wants in poorer health status
- v South has highest unmet dental needs (11.2%)
- v Rural versus urban (no difference)

## Access to Dental Care in the United States

- v Socioeconomic factors
  - Φ less than high school (9.4% versus 7.9%)
  - Φ family income less than 150% of poverty level (16.4% versus 6.3%)
  - Φ Health Insurance Status (22.6% versus 5.9%)
    - 2 Medicaid 12.2%
  - Φ Type of health insurance (no or little difference)

## Access to Dental Care in the United States

- v Reasons for unmet dental care (when an appointment was attempted)
  - Φ Could not afford care (20.1%)
  - Φ Had difficulty getting an appointment (12.7%)
  - Φ Had no insurance (8.1%)
- v 48% of individuals with dental problems indicated that they limited activities because of dental problems, with only 17.7% receiving care subsequently...the problem remains chronic

## Access to Dental Care in the United States

- v Problems of individuals with unmet needs
  - Φ Cavities, routine care, toothache, tooth extraction, broken tooth, root canal, gingivitis, dentures, third molar

## Cost Containment

- v In the 1970's replaced the social expansion of the 1960's War on Poverty
  - Φ Legislation was enacted to contain rapid increases in health care expenditures
    - 2 Health Planning Act of 1974 was a major effort in this battle designed to reign in costs by preventing unnecessary expansion in the health care delivery system
    - 2 Expansion of Certificate of Need programs states were able to constrain the expansion of hospitals in particular, the theory was that each new hospital bed increased overall expenditures, regardless of the rational need for the bed

## Cost Containment

- 2 As a program to contain health care expenditures, health planning was a failure (at least in the judgement of many in Congress)
- 2 Efforts to contain costs increased continued with price freezes during the Nixon administration and with suggestions to control hospital prices followed by a voluntary restraint during the Carter administration and they culminated in the program of prospective payment of hospitals enacted in 1983 (DRG's)

## Cost Containment

- 2 Promotion of HMO's in the mid 1970's
  - HMO's are believed by many to promote a more efficient form of practicing medicine
  - Evidence is overwhelming that HMO's achieve savings by realizing lower rates of hospitalization among their patients than would otherwise be expected. State governments have contributed to efforts to introduce reforms into the system by permitting the creation of preferred provider organizations (PPO) these schemes constrain costs by ensuring consumers to seek care from the least costly providers and hospitals in their communities
- 2 In spite of all the policies enacted in recent years, health care costs increase every year
  - In 1989 total health expenditures jumped to 10.4%
    - Health spending over 15% of federal budget
    - Medicaid expenditures represent as much as 20% of state budgets

## Has Cost Containment Worked?

- Φ Continue to escalate even after many efforts since 1974 to control them
- Φ Policymakers remain anxious to adopt other measures to stem the tide
- Φ Of special concern are the costs of technologies that continue to be introduced into the system and the costs of caring for an aging population

## Reaganism

- v Conservative 1980's, limited resources, loss of faith in government's ability to solve complex problems
  - Φ 1990's acceptance of the need to reduce national debt and perhaps a slowly growing realization that it is not in the national interest to tolerate immense social problems such as homelessness, inadequate education, and lack of access to health care

## The Themes Combined

- v Access and the Clintons....emerged as a major concern
  - Φ As of 1991 as many as 38 million Americans were without any form of health insurance
  - Φ In 2004 it has grown to 45 million Americans without any form of health insurance
    - 2 Uninsured have reduced access to services either because they seek care less often or they are turned away by providers when they do seek care
      - Legislation to relieve the problems in states such as Massachusetts, Oregon and Hawaii
      - Child Health Plus (Medicaid)

- Φ In addition to those without any health insurance, those whose insurance is not comprehensive and for whom premiums and copayments are increasing can also be viewed as subject to financial problems when they try to obtain health care
- Φ The elderly
  - 2 Problem accessing care
  - 2 Prescription medications and long term care minimally covered under Medicare

## Are we covered?

- v Let's look at childbirth; in 1989 the total average cost for delivery was \$4,334 and for cesarean sections \$7,186. Physicians fees alone were \$1,639
  - Φ These costs may not seem high to women with private insurance that pay their costs
  - Φ 17% of women do not have health insurance
  - Φ 330,000 have private insurance does not include maternity coverage
- v Government then handles the bill; the Medicaid program spent \$1.2 billion for maternity care in 1985

## Oral Health

- v According to the CDC, approximately 500 million dental visits occur annually in the United States, and in the year 2000, an estimated \$60 billion was spent on dental services
- v Yet many children and adults needlessly suffer from oral diseases that could be prevented

*You're not healthy without good oral health*  
--C.Everett Koop