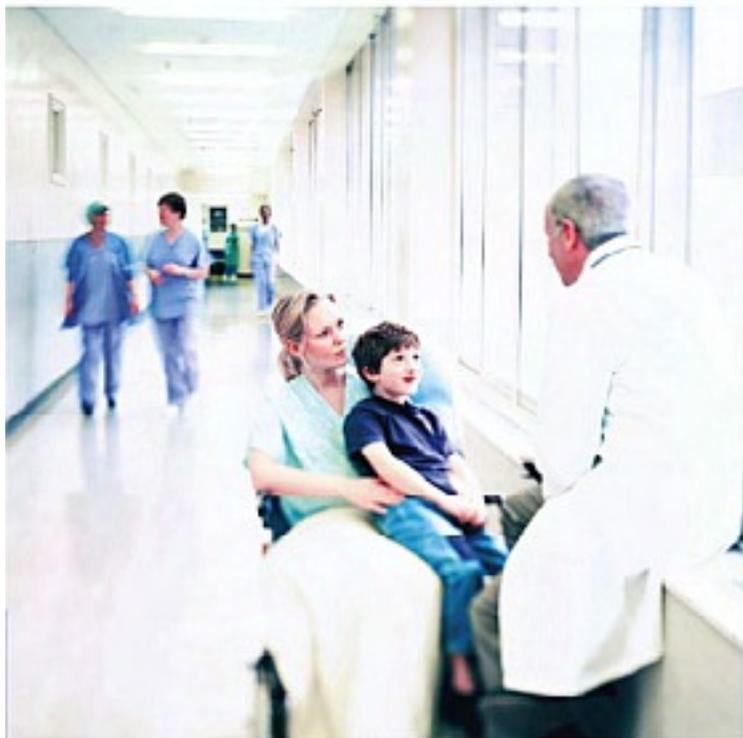


contemporary world issues



HEALTHCARE REFORM IN AMERICA

Jennie Jacobs Kronenfeld & Michael R. Kronenfeld



HEALTHCARE REFORM IN AMERICA

A Reference Handbook

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A Reference Handbook

Jennie Jacobs Kronenfeld
and Michael R. Kronenfeld

**CONTEMPORARY
WORLD ISSUES**



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Preface

In the last 100 years in the United States, the emergence of a national health system, such as has been developed by almost every other developed country during this time period, has always seemed to be at least 5 to 10 years in the future. In the beginning of the twenty-first century, the problem is again becoming critical. Although some limited reforms have occurred in the 1990s (some control of managed care; CHIP program), many major problems remain, including those of limited access to care, concerns about quality, and issues about costs of care, rising costs of care, costs of health insurance, costs of prescription medicine, and consumer satisfaction. This handbook reviews the failed attempts of the last century, identifying the economic, social, and political issues that both pushed for the creation of a national system and prevented it from being implemented. These issues will then be reviewed in the context of today, the first decade of the twenty-first century, as healthcare reform issues will again be in the forefront of the political process.

Some of the key issues to be presented are:

- Cost of healthcare
- Access to healthcare
- The political process and healthcare reform

This handbook on healthcare reform presents issues and questions relevant to the full range of social science disciplines in high school and college level courses. By showing the interplay and significance of these issues as they focus on the healthcare system, the reader should be able to see the importance and interplay of the work of the different disciplines as

they relate to concerns about healthcare delivery, healthcare reform, and healthcare policy.

This book is very different than it would have been if it had been written ten years ago before the emergence of the World Wide Web and the Internet as increasingly important platforms for the presentation of information, analysis, and advocacy on the relevant (and sometimes not so relevant) issues of our time. Before the Web, access to information and viewpoints on a topic were both limited and often untimely. Although many of the issue advocacy groups existed before the Web, finding out about them and obtaining information on them was both difficult and time consuming. Government data were available at many public and academic libraries but it was harder to find and access the relevant information. Periodical indexes were also available at libraries but they were harder to use and the tracking down of the articles identified was much more difficult and time consuming. Although the issues relating to the healthcare sector and the delivery of healthcare in the United States have not changed so greatly in this time period, the ability to access information on the topic has grown almost exponentially.

The ability to access large volumes of information about health and healthcare delivery, the healthcare sector more generally, and government programs relating to the delivery of healthcare has not necessarily made the task of understanding the issues any easier for someone just beginning to explore and understand them. It is very easy to become overwhelmed by the total volume of information now available. In addition to being overwhelmed by the volume, a more important and difficult issue is to assess the accuracy, utility, and perspective of the information presented by competing and contradictory advocacy groups. The first two chapters of this book should introduce the reader to the basic issues involved in healthcare reform and give the reader the context to use in the further exploration of the various issues relating to healthcare delivery and healthcare reform. As with learning about any new topic or using information presented by any individual or group advocating a specific viewpoint, a reader must be a careful “consumer” of the information presented on this topic that so directly impacts all of us.

We would like to thank many people for assistance in writing this book. Jennie’s department chair, Verna Keith, and her associate chair, Deborah Sullivan, were helpful throughout the process, from, as good department administrators do, helping to

facilitate time commitments to writing on certain days. Michael wants to thank Ted Wendel, associate provost for the Mesa Campus of ATSU, for his support and encouragement. He also wants to thank various advocacy groups who generously allowed us to reprint materials from their Web sites. If this book had been written five years earlier it would have been very different with an emphasis on print rather than Web-based sources. The World Wide Web provides a platform for the presentation of information, analysis, and advocacy on the various issues we face today. There is not a topic in which this is more evident than in the debate on the organization and reorganization of our healthcare sector with its direct impact on the health of us all.

Acknowledgments

We would also like to thank our family, our three sons, two of whom, Shaun and Aaron, were living at home while we were writing this book, Shaun in college and Aaron in his last two years of high school. Our third son, Jeffrey, was in his first and second years of college during this time. They were patient at times as we needed to work on aspects of the manuscript at home, helpful at times when we were discussing issues of healthcare reform by participating in discussions, and helping us to realize what the public more generally is and is not familiar with in terms of healthcare reform issues, and distracting at times as we had to deal with the life crises and concerns of teenagers and young adults in today's world.

1

Healthcare Reform: Cost, Quality, Access, and the Government's Role

Healthcare reform, or modification of the U.S. healthcare system so that affordable, high-quality healthcare services are available to everyone, is a public-policy issue that has received discussion in the United States off and on since World War II. The amount of discussion at any one time varies with changes in leading politicians and how much healthcare issues, including healthcare reform, are viewed as issues of high public concern. Just to look back at the most recent decades, the prominence of the topic of healthcare reform varied even between the two administrations of a single president; healthcare reform went from being a central issue in the first term of the Clinton administration to a position of lower concern by Clinton's second term. With the administration of George W. Bush, especially once the events of September 11, 2001, and the war with Iraq in 2003 led to a greater focus on international concerns and terrorism, the prominence of healthcare issues became fairly low. However, concerns about healthcare problems and the need for reform have not disappeared. For example, the need for Medicare reform and help for senior citizens in dealing with healthcare costs, especially drug costs, has again received discussion as the reality of election years approaches. Other issues will also revive attention to healthcare reform, since all of the major issues that led to the most recent failed attempt to pass major U.S. health reform legislation during the Clinton administration remain unresolved.

2 Healthcare Reform

Why is there discussion about healthcare reform in the United States now? One reason is that, compared to almost all other industrialized countries in the world today, the United States has not resolved some very basic issues about the role of the government in the provision of care and in assuring that all citizens are able to receive good-quality care when they need it. In most of the world's industrialized countries, the government has been part of a process that guarantees access to many if not most healthcare services for all citizens. Not all countries arrive at the same solution for guaranteeing access for all. Some create a major national healthcare system (for example, Great Britain); others use more of a health insurance-based system. These insurance-based systems can vary widely. In Canada, there is a single-payer national health insurance system that some believe could be a model for reform in the United States. Unlike Great Britain, the system varies from one province to another (provinces are more or less the equivalent of states), and most physicians are still paid by health insurance, rather than on a yearly or per-patient salary. In Germany, nongovernmental insurance providers form the basis of the system, but there are various mechanisms in place to assure that all Germans are covered for most services. Many argue the United States does not really have a clear healthcare system but rather a confusing variety of public and private healthcare insurers and providers who function in different, and often competing, ways. Thus, while most countries have mechanisms in place to assure at least basic access to healthcare for all and to maintain quality while keeping overall costs reasonable, this is not true of the United States.

For almost fifty years, cost, quality, and access have been the three key watchwords for scholars in many of the different disciplines that study healthcare and the delivery of healthcare services. The name given to these types of studies and studies related to many aspects of the healthcare system is *health services research*. This name came into use about thirty years ago to describe research related to the use of, the organization and delivery of, the financing of, and the outcomes of health services such as quality of care and health status changes. Over the last fifteen years, it has become the most widely accepted term to describe interdisciplinary research on health and healthcare services. Disciplines that are often part of health services research include sociology, economics, political science, management sciences, epidemiology, and more applied fields such as

public health, health services administration, health education, and policy sciences.

The importance of these three concepts (cost, quality, and access) should not be surprising, and, actually, these concepts are of primary importance with regard to many kinds of services that a person might receive, not just healthcare. For any service (or product), one thing of importance is the cost. For an individual about to visit a doctor (or a store), the simple question is, what must I pay? The more complicated question is whether the price is fair, reasonable, and appropriate. When this question is applied beyond the individual to a large group or the nation as a whole, we begin to ask questions such as, what are the total dollars being spent? how do these dollars relate to other kinds of services? and how do they relate to how much people in other places pay for these kinds of services?

A related question is, can I get the service or product? This is the concept of access. Access has at least two components—one component is simply the availability of the service. Are there doctors or hospitals around? Are the doctors taking new patients? Do the hospitals have empty beds? In healthcare, this question is often termed *geographical access* and is linked to specific places. Although the answers to policy questions about geographical access can be complex, the more complex side of access is *financial access*, or, do I have the money to pay for care? Increasingly in the United States, the answer to this question relates less to the amount of money any individual has in his or her wallet or bank account, and more to whether the person (and the person's family) has health insurance. The most important factor in having health insurance in the United States today is having a good job with benefits. In addition, certain categories of people, such as the elderly, many of the poor, and increasingly the children of the near poor, now have access to governmentally sponsored health insurance. Thus, access for an individual is partially linked to cost of care and also to specific aspects of that person's situation in the society. It is easy to see how access issues quickly become one major issue in healthcare reform.

Moving beyond the individual to the society as a whole, cost of care is linked to access, and at a broader policy level, this is particularly true. If a governmental unit, such as a state, is willing or able to spend a certain amount of dollars on healthcare for the poor and those without insurance, the state can provide more access to care to greater numbers of people if the average cost of