

Healthcare in the US

The Democrats' desire for universal access to health insurance runs deep. President Franklin D. Roosevelt hoped to include some kind of national health insurance program in Social Security in 1935. **President Harry S. Truman** proposed a national healthcare program with an insurance fund into which everyone would pay. **President Bill Clinton** offered the most ambitious proposal and suffered the most spectacular failure.

One of the most significant differences between 1993-94 and 2009-10 was that **employers and business groups, alarmed at the soaring cost of healthcare**, took a seat at the negotiating table. **Insurance companies**, which helped defeat the Clinton plan, began 2009 by saying they accepted the need for change and also wanted a seat at the table. As the bills developed, however, they became strong opponents of some Democratic proposals, especially one to create a government-run insurance plan (**the public option**) as an alternative to their offerings.

According to President Obama, healthcare was a right and not a privilege. The biggest reform in the country for 40 years was meant to overhaul the nation's healthcare system and guarantee access to medical insurance for Americans who lacked it.

The Patient Protection and Affordable Care Act (ACA) passed in **March 2010** (*the bill passed in the House of Representatives 219-212 and then 220-207 and in the Senate 56-43 with some Democrats and all the Republicans voting against it*).

I. Before the ACA:

There was no universal system of healthcare coverage.

There were **federally funded programs**, the biggest being **Medicaid** (for the poor) and **Medicare** (for the elderly).

But generally it was **up to individuals to obtain health insurance**. Most got **coverage through their employers**, but others signed up for **private insurance schemes**.

Under the terms of most plans, **people paid regular premiums**, but sometimes they were required to **pay part of the cost of their treatment** (known in the US as **a deductible**) before the insurer covered the expense.

The amount they paid varied according to their plan.

The US system was costly. As a nation, the US had spent some \$2.2tn (£1.36tn) on healthcare in 2007, namely 16.2% of GDP - **nearly twice the average of other countries in the OECD** (Organisation for Economic Co-operation and Development). Moreover there were more than **45 million uninsured people in America in 2012**, out of a population of 300 million.

However, this included 9.2 million non-citizens and 18 million people earning more than \$50,000 a year. There were also **millions of Americans who were deemed "under-insured"**.

US HEALTHCARE SYSTEM

Medicare: government-funded healthcare for over-65s

Medicaid: government-funded healthcare for those on low incomes

Employer-funded health insurance: paid by salary deduction

Military veterans: receive healthcare via government-run scheme

State Children's Health Insurance Programme: coverage for children whose parents do not qualify for Medicaid

Uninsured: treated in emergency rooms only

II. After the ACA:

1. Implementing reforms:

There were to be various stages for the new legislation to take effect (some measures were to be implemented by 2018).

The law was to cost the government about \$938 billion over 10 years, according to the nonpartisan Congressional Budget Office, which had also estimated that it would reduce the federal deficit by \$138 billion over a decade.

Some of the major provisions included the following:

- insurance companies were no longer able to deny coverage to **people with pre-existing (health) conditions** or to charge them more than the others.
- all children were eligible to stay on their parents' plans until age 26.
- the practice of "rescission," [in law the act of rescinding; the cancellation of a contract and the return of the parties to the positions they would have had if the contract had not been made] in which insurance companies cancelled people's coverage when they got sick, was outlawed.
- the companies couldn't impose "lifetime caps" on coverage (another way they avoided paying for people's care when they got sick).
- small businesses that provided coverage for their employees were given a tax credit.

2. The record.

- The ACA has reduced the number of uninsured people by 20 million.
- Half of Americans get their health coverage through their employer.
- Medicaid has been dramatically (= spectacularly) expanded.
- It was made possible for 10 % of Americans (for instance freelancers or independent contractors), not covered by an employer and neither poor nor elderly, hence not qualifying for Medicaid or Medicare, to rely on the individual health-insurance market, and sign up through online exchanges (the insurance marketplaces) for plans that are subsidized based on income.
- The ACA has increased access to primary care, specialty care, surgery, medicines and treatment for chronic conditions, patients are less likely to skip needed care because of the cost, so, tens of thousands of lives are being saved each year.

Yet while enrollment was steady, it needed to draw in younger, healthier people to offset (or compensate for) the costs of older, sicker people, and keep the premiums steady.

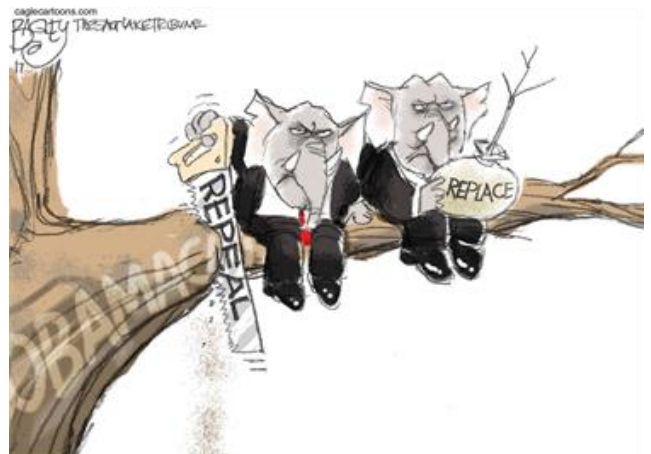
Unless the financial penalty for people who didn't sign up was enforced, insurers may have pulled out of the exchanges and caused the individual market to collapse.

3. Opponents and recent developments:

Since the very beginning, **Republicans, who rely more on the market and less on government**, have complained about what they consider to be excessive taxation and government meddling in the private sector, a **“government takeover” of healthcare** that proves too costly and mortgages the future of generations to come.

During his first campaign, **Trump pledged to repeal Obamacare**. Yet he had nothing to replace it with. Therefore even some Republicans voted against a repeal.

Yet as a repeal was not possible, Trump chose instead **to thwart Obamacare by dismantling it**: tax reforms and judicial / legal proceedings weakened the system (**end of the individual mandate, cheap options** for health plans but with **higher deductibles** (*des franchises*), **lower federal health subsidies**...).



However, even if there were **fewer people enrolling**, and **more uninsured Americans** (+1.9 million in 2018) but also **more expensive insurance premiums**, **the health insurance marketplaces** which help people enroll in affordable health insurance, **have remained popular**. There are also **more Medicare recipients** (although **Medicaid coverage has shrunk**).

Therefore, **the system may not be perfect** (rich Americans are estimated to live up to 15 years longer than poor ones!), but despite President **Trump's relentless attacks** on Obamacare - or because of them - **the ACA still seems to be holding on**.

President Joe Biden signed **executive orders** to undo the changes the Trump administration had made to **the Affordable Care Act, build and expand on it, and defend** it from legal and congressional challenges.

Candidate Biden had said he would bring back **the individual mandate**, i.e. the penalty for not being covered under health insurance which Trump had removed in 2017. Some states have enacted individual mandates and impose a state tax penalty.

Biden's plan was also to **lower the skyrocketing costs of drugs in the US**, and allow Medicare to negotiate lower prices with drug manufacturers. Biden campaign officials said the healthcare plan would serve as a transitional piece of legislation that could pave the path to **a Medicare-for-All single payer system** in the future.

In spite of **inequalities in healthcare provision** and **unpaid medical bills** leading to **medical debt**, the **American Rescue Plan (2021)** and the **Inflation Reduction Act (2022)** have both contributed to making **healthcare more affordable**.

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6 min

Sources: *Britannica Online encyclopedia, The Economist, The NY Times, BBC News, NBC News, The New Yorker, caglepost.com...*