



Mini-Rotation on the Health Care System

Theme: The Organization and Financing of the US Health Care System

Topic: Evolution of the U.S. Health Care and Financing System

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Objectives:

By the end of this session, participants should be able to describe:

- The historical context in which the present U.S. health care system evolved.
- The changing roles of key players in the U.S. health care system.
- The challenges facing the system now, and how those challenges affect current initiatives for reform.

Overview of the presentation (August 2015):

History of U.S. health care system

- Key definitions: entitlement vs. mandate
- Progressive era reform efforts
- Three overlapping eras: 1) Social Security (1930s-1960s); 2) Public/Private Partnership (1950s-60s); 3) Market environment (1980s on)

Keys to improvement

- Need to organize the personnel, facilities and financing into a conceptual framework and operating system
- Complexity of the problems and challenges to change

Timeline of health care reform

- 1915: proposals for compulsory health insurance
- 1933: New Deal, omission of health care
- 1943-45: proposed legislation to establish national health insurance
- 1946: Hill-Burton Act; free care requirements

- 1951: proposed federal health insurance for elderly
- 1954: Revenue Act makes premiums paid by employers or individuals tax free deductions
- 1965: Medicare and Medicaid enacted
- 1973: HMO Act
- 1983: Medicare adopts prospective payment for hospitals
- 1989-92: Medicare reforms
- 1990: Medicaid expansion
- 1993: Clinton's Health Security Act fails to pass
- 1996: Health Insurance Portability and Accountability Act (HIPAA)
- 1997: State Children's Health Insurance Program (SCHIP) enacted
- 2000-01: Institute of Medicine reports (To Err is Human; Crossing the Quality Chasm)
- 2000-07: Change strategies to achieve the Triple Aim
- 2003: Medicare Modernization Act (prescription drug coverage; Health Savings Accounts)
- 2006: Mandate for universal coverage enacted in Massachusetts
- 2008: Insurance payment reform to improve quality and lower costs
- 2010: Patient Protection and Affordable Care Act (ACA)
- 2012, 2015: Supreme Court rulings on ACA

Persistent problems

- Healthcare disparities
- Large number of people uninsured, still
- Cost a persistent issue as healthcare consumes a still increasing share of our collective resources, to the detriment of education, infrastructure and the income of the middle class
- Ambiguities about optimal finance mechanisms and the evolution of the health insurance industry as we continue the attempt to move from “volume to value”
- Emerging workforce challenges
- Still searching for the conceptual framework and operating system that will provide optimally for the health needs of the population.
- Effectively engaging physicians in practice evolution to improve quality and service
- Still ineffectively collaborating with patients to enable effective self management.
- Still largely practicing the “repair care” of individuals rather than the optimization of health for populations
- What we do not know that we don't know