

Outline on Medicare Act

Meghna Gopal

Spring 2019

SWRK 125B

Professor Evans

California State University, Sacramento

Overview

1. Medicare Act is an essential Social Security Act specifically designated to serve as a “Health Insurance for the Aged as well as Disabled” in the context of America and specifically at the Federal Level.
 - a. The Medicare Act created a health insurance initiative for the aged people to effectively complement the issues of retirement, survivors, as well as disability health insurance cover which would be effective under title II of the Social Security Act (Marmor, 2017).
 - b. The Medicare Act was established in 1966 to cover most persons aged 65 and above, and it also catered for health care issues for the vulnerable populations.
2. The Medicare Act was traditionally sanctioned into two core parts, and these include Hospital Insurance (HI) commonly known as Part A, and the supplementary medical insurance (SMI) commonly known as Part B (Marmor, 2017). The American healthcare system was featured with poor access to health care and increased cost for healthcare services for the aged and vulnerable populations before the establishment of the Medicare Act.
3. Medicare Act is a significant tool in the American healthcare system as it can be observed from the historical, social, and economic analyses, but recommendations are necessary for its effective functionality.

Historical Analysis

1. What healthcare issues necessitated for the establishment of the Medicare Act?
 - a. Before consideration of the Medicare Act of 1965 at the Federal Level, various healthcare reforms had been introduced previously by earlier presidents.

- b. The aged, poor, and disabled populations were scavenging for useful medical help, and hence the government had to devise a solution to their healthcare needs (Adams, Gebru, & Kimmel, 2017).
 - c. Studies affirm that the healthcare cost had gone higher for those living below 138% of the federal poverty level to afford (Erlyana, Schuldberg, & Last, 2016).
- 2. In reflection, healthcare disparities had grown at an alarming rate, and hence the government had no alternative to establishing policies that would cater to the needs of these vulnerable populations.
- 3. The Medicare Act adhered to the needs of the healthcare system.

Social Analysis

- 1. The American populations lacked adequate access to healthcare services.
 - a. The Social Security Amendment of 1965 paved the way for legislation in the US featured with the Medicare Act.
 - b. The law provided federal health insurance for those aged 65 or above, needy families and the eligible vulnerable populations (Haviland, 2018).
 - c. American states were allowed to integrate their health regulation guidelines attached to the varied health programs.

Economic Analysis

- 1. The Medicare Act was designated to meet the health cost for the elderly and other eligible populations.
 - a. The Medicare Act and its related health insurance cost for the entire federal nation were estimated to be \$260 billion per year (Sheehy, 2017).
 - b. The Medicare Act is financed through the payroll taxes.

- c. Introduction of Medicare led to a 23% increase in total hospital expenditures and a dramatic rise in per capita health spending (Marmor, 2017).

Recommendations for Reform

1. Although the Medicare Act has been effective in addressing health issues of the vulnerable populations, its services need to be complemented with the following practices for acute reformation.

- a. Expanding access to care in underserved areas.
- b. Cost maintenance.
- c. New funding for Medicare (Sheehy, 2017).
- d. Free preventive services.
- e. Higher premiums for higher-income enrollees.

Conclusion

1. The Medicare Act stands a chance for reforming the healthcare industry by meeting the healthcare needs for the aged and vulnerable populations (Sheehy, 2017).
2. Medicare Act needs to be complemented with policy reforms through cost maintenance, new funding for Medicare, and free preventive services among other aspects.

References

- Adams, C., Gebru, F., & Kimmel, L. (2017). MEDICAID 101: AN OVERVIEW.
- Erlyana, E., Schuldberg, J., & Last, M. (2016). Historical Overview of Long-Term Care. *Managing the Long-Term Care Facility: Practical Approaches to Providing Quality Care*, 1.
- Haviland, G. (2018). Not So Different after All: The Status of Interpretive Rules in the Medicare Act. *The University of Chicago Law Review*, 85(6), 1511-1544.
- Marmor, T. R. (2017). *The politics of Medicare*. Routledge.
- Sheehy, A. M. (2017). Medicare and the 3-inpatient midnight requirement: A statute in need of modernization. *Journal of hospital medicine*, 12(3).