

The Medicare Act

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Overview of the Medicare Act

Medicare Act is an essential Social Security Act specifically designated to serve as a “Health Insurance for the Aged and Disabled” in the context of America and specifically at the Federal Level. It is a federal health insurance program established in 1965 for the people aged 65 and over, without considering factors such as medical history, income, or health status. 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). Medicare Act was enacted in 1966 to cover most persons aged 65 and above, and it also catered for health care issues for the vulnerable populations. Due to the growing need for universal healthcare services in the United States, Medicare Act programs was extended in 1972 to disseminate its services to people who are under the age of 65 who are featured with long-term disability.

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). However, other programs such as Part C and Part D have been integrated. Part A was designed to cover inpatient hospital stays, hospice care, and some home health visits for beneficiaries. Part B of the Medicare covers outpatient care, physician visits, and preventive services for eligible populations. Part C of the Medicare program allows beneficiaries to enroll in private health plans in an effort to receive Part A and Part B benefits. Part D extends services to outpatient prescription drugs via private plans that contract with Medicare.

During the inception of the Medicare Act, the American healthcare system was featured with poor access to health care and increased the cost for healthcare services for the aged and

vulnerable populations. Moreover, there was an increase in the cost of hospital care which rose as at a rate of 6% a year (Haviland, 2018). In many times, the cost of living went high with the health care costs rapidly outpacing growth in the incomes of older Americans and the disabled. Since its inception, the Medicare Act has been effective in analyzing issues with the American populations. Medicare Act has addressed the healthcare disparities encountered by the vulnerable populations in the United States. It has helped seniors to access facilities such as walkers and wheelchairs. Currently, Medicare occupies a core position in the provision of health as well as financial security to millions of older and young Americans living with disabilities (Haviland, 2018). The program is connected to many medical care services such as physician visits, hospitalizations, preventive services, hospice care, home health care, and skilled nursing facility services. With due efficiency, Medicare spending was found to account for more than 15% of the total federal expenditures of total national health as well as spending.

Medicare Act was facilitated by a list of key stakeholders who emphasized on health and social wellbeing of seniors and vulnerable populations in the American society. They included the Congress in 1965 which advocate for a combination of approaches to enhance improved access to healthcare for the elderly. Medicare Act was fully supported by the Social Security Act through policies that demanded legislation of some Medicare program. Herein, Social Security Amendments of 1965 acted as a patchwork of all programs sponsored by both state and local governments in addition to community hospitals and charities. State and Federal government supported the Medicare Act as a pillar for reducing the rising cost of care and deteriorating health status of seniors and other vulnerable populations in the United States. Medicare Act was supported by the state officials in both legislative and executive branches in preventing threatening aspect encountered by the elderly populations. Physicians and hospitals strongly

supported the establishment of the Medicare Act to ensure Medicare premiums, deductibles, as well as cost sharing practices for vulnerable populations. 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 on Medicare Act

Medicare Act of 1965 traces its origin from chronological health aspects of the American before and after 1965. Before consideration of the Medicare Act of 1965 at the Federal Level, various healthcare reforms had been introduced previously by earlier presidents. For instance, the Social Security Act of 1965 had identified the healthcare issue facing different populations of America. As evident, there was an increased cost of care for seniors in the United States, and hence much had to be done to ensure balanced and affordable care for these significant populations by providing hospital as well as medical insurance.

From another literature, history of national health insurance system for American dates back to the days of President Teddy Roosevelt, whose leadership plans included health insurance when he vied for presidency in 1912. However, these platforms were later implemented by President Harry S. Truman who had further insight congress for the establishment of national health insurance funds open for all Americans. He envisioned health coverage for the venerable population. Similarly, President JF Kennedy declared his own unsuccessful push for the creation of national health care program for seniors after a national study which depicted that about 55 percent of Americans aged 65 years and above were not fully covered by health insurance. However, his assertions were not redeemed until 1965 when the legislation was approved by President LB Johnson. The legislation claimed that all Americans were to start getting Medicare health coverage from Medicare's hospital and medical insurance. Nowadays, the Medicare Act

keeps on providing healthcare for those eligible and those in need. In 2017, about 58.5 million Americans were able to access health coverage via Medicare act.

Before the establishment of Medicare Act, the aged, poor, and disabled populations were scavenging for convenient medical help, and hence the government had to devise a solution to their healthcare needs (Adams, Gebru, & Kimmel, 2017). Therefore, the government responded to the public cry by establishing Medicare act which comprised of Part A and B, and it was later extended to Part C and D to cater for all-around healthcare needs of the vulnerable American populations. Studies affirm that the healthcare cost had gone higher for those living below 138% of the federal poverty level. Therefore, the Medicare Act was established to ensure increased access to healthcare services by reducing the cost of healthcare service and increasing health insurance coverage (Erlyana, Schuldberg, & Last, 2016).

In reflection, the Medicare Act **has been and is a perfect solution** to health issues encountered by American populations. As evident, 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. Enactment of the Medicare Act adhered to the health care needs of American populations in all settings. Medicare services have paved the way for social security payments for seniors and younger people living with disabilities.

Social Analysis

Medicare Act was majorly designed to address evident and foreseeable healthcare issues affecting American populations. Before legislation, there was a growing recognition that social risk factors such as poverty, ethnicity, disability, and social isolation were the major issue affecting vulnerable populations of the United States. The legislation was established to curb these issues and establish social balance amid the vulnerable populations.

The Medicare Act has addressed social threats in the socially stratified American population. Medicare Act was highly focused on disseminating healthcare services in accordance with the socio-economic positions of the populations. It was believed that socioeconomic position posed varied disparities to the population. For instance, income may pose threats to the aspect of healthcare utilization, cost, health outcomes, clinical processes of care, and patient experience. In this setting, the socioeconomic position greatly influenced the establishment of the Medicare Act to disseminate services all eligible American populations.

Apparently, the Medicare Act was launched to address issues with races, ethnicity, and cultural context. As evident, race and ethnicity are paramount dimensions via which resources, risks as well as rewards are disseminated, and hence dissemination of healthcare services is hardly exceptional. Medicare Act aimed at establishing equity amid all races, ethnic groups and culture through the provision of healthcare insurance and hence increases patient safety, health outcomes, and patient experience. In more concentric terms, Medicare Act was enacted to address the alarming social threats which were hardly challenging Americans leading to poor health.

Additionally, the Medicare Act paid attention to the aspect of gender, a breeding ground of for all sort of discrimination. In this setting, the Medicare Act paid attention to the healthcare needs of older women in the society which were found to encounter hard times in surviving their healthcare needs.

From a legal perspective, the Social Security Amendment of 1965 paved the way for healthcare legislation in the US featured with the Medicare Act. The Social Amendments of 1965 was legislation whose most essential provision led to the establishment of Medicare in

conjunction with the Medicaid programs. Initially, the legislation (Medicare Act) offered federal health insurance for seniors and for the people living with disabilities.

The legislation is estimated to have occurred as a result of National Health Insurance which was hardly objected by the AMA's insistent opposition in the late 1940s. However, the National Health Insurance advocated sought for new and socially agreeable strategies to assess the health issue in the American population. As a result, President Truman authorized for effective formulation of a plan to improve the health of Americans.

Since inception, the Medicare Act has taken some significant social changes, and it has laid the foundation for the Affordable Care Act of 2010 which was made on some core improvements of Medicare coverage (Erlyana, Schuldberg, & Last, 2016). More importantly, the Medicare Act has been fitted with a variety of Medicare's benefits gaps as well as cost sharing. Some of the supplemental benefits include employer-sponsored insurance which caters for many spouses and retirees, hence supplement the Medicare Act.

Medicare Act was highly supported by the Congress of 1965. The congress adopted a compilation of approaches to enhance improved access to healthcare for the elderly and advocated the policy. Medicare Act was also enacted by the Social Security Amendments of 1965 which created a hospital insurance program to extend healthcare care coverage to all the elderly in the society under Medicare Part A (Erlyana et al., 2016). The policy was also focused at offering improved health via voluntary supplementary medical insurance program under Medicare Part B. The Medicare Act was highly supported by democrats and republicans who actively fought for the restoration of social justice along with races, ethnic, gender, and on a cultural basis. In addition, physicians and hospitals fought for the establishment of cost-effective care which would work in favor of all socioeconomic position. Also, State officials in both

Legislative and Executive Branches advocated for the establishment of the Medicare Act due to its attached social benefits to the American populations. In my conviction, stakeholders were the ideal proponents of the Medicare Act, and they laid the basis for its enactment.

Economic Analysis

The Medicare Act was designated to meet the health cost for the elderly and other eligible populations. The Medicare Act and its related health insurance cost for the entire federal nation were estimated to be \$260 billion per year (Sheehy, 2017). The estimated cost was believed to be sufficient in meeting the cost of healthcare services as well as facilitation to the eligible populations.

Medicare funding comes from three different primary sources. These include the general revenue whereby money comes from federal income taxes that Americans pay. It is also funded through payroll taxes for employers who pay payroll taxes purposely to contribute to the Medicare solvency (Sheehy, 2017). The Medicare Act is also funded via beneficiary premiums. Medicare beneficiaries are required to meet some monthly or annual premiums to the federal government. These premiums are used to help cover health care cost for Americans.

Introduction of Medicare led to a 23% increase in total hospital expenditures and a dramatic rise in per capita health spending (Marmor, 2017). As evident, before the inception of the Medicare act, American populations were faced with stratified inequalities in the context of healthcare which deterred the majority population from accessing and meeting the cost of healthcare services. After inception, there was increased demand for healthcare services which was highly attached to the vulnerable member of the society who could not meet the heightened

cost of healthcare. Healthcare coverage under the Medicare **championed** an increase in hospital expenditure since a higher number of healthcare facilities and personnel were required to meet the demand. On the other hand, the per capita health spending increased due to the increase turn up amid American populations to access and enjoy healthcare services at a reduced cost. It is with no doubt that the Medicare act complemented many healthcare costs to the American populations and hence it ensured equality to all.

Recommendations for Reform

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.

Expanding access to care in underserved areas is **also core**. Healthcare based researches have affirmed that the Medicare Act has not yet been fully extended to some part of the country. To ensure efficiency, there is a need to focus on issues such as **health professional's shortage areas (HPSAs)** to **diversify survives to the oppressed populations**. The Medicare Act needs to be reformed through cost maintenance. This approach demands a highly determined Medicare delivery system which lowers the cost as well as improves the quality in the system. There is a need to focus on the necessity of new funding programs for Medicare (Sheehy, 2017). Herein, it should be noted that the cost of healthcare services has gone higher and hence there is a great need to Medicare funding mechanisms such as payroll taxes, government revenues, and beneficiary premium to ensure adequate funding.

From another point of view, the Medicare Act should complement with free preventive services which will help Medicare beneficiaries to enjoy additional services under the same healthcare coverage. Some of these preventive services include free preventive care,

personalized prevention plans, and some screening all which should be bound to free annual wellness visits. Ultimately, the Medicare Act should be complemented with higher premiums for higher-income enrollees. It should be noted that social stratification is still evident in modern America and hence beneficiary premiums should be charged in accordance with the person's ability and income status. For increased funding, beneficiaries with higher incomes should make additional amounts unlike lower-income enrollees.

Conclusion

In summation, the Medicare Act stands a chance for reforming the healthcare industry by meeting the healthcare needs for the aged and vulnerable populations (Sheehy, 2017). Medicare Act needs to be complemented with policy reforms through cost maintenance, new funding for Medicare, and free preventive services among other aspects. It is with no doubt that the Medicare Act has the potential in attending to care healthcare.

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