Medicare Essay, Research Paper

Medicare

In 1965, president Lyndon Baines Johnson launched his Great Society program, its primary focus to aid in making American society a better place, hence the name. He targeted areas like employment, education, and medicine. Concerning medicine, it was difficult for many elderly citizens to pay health care costs after retirement. Johnson would abruptly push through the Medicare Act, which would provide the elderly with health insurance to cover and hospital costs. Medicare only applied to the elderly and disabled, leaving many poor people without health coverage. So, its counterpart, Medicaid was passed by Congress so the poor who were not elderly were not left out. Medicare was an initial success, resulting in many healthy and still financially secure senor citizens. 30 years later, Medicare still exists, with a few changes made necessary by time and progress. The Medicare program has made significant changes socially, politically, and especially economically, and vice versa. Even as we speak, the U.S. government is trying to improve and preserve this critical program, and hopefully will continue to do so in the future.

Although the elderly are the main beneficiaries for Medicare, just about everyone in society is affected one way or another. Anyone who earns a paycheck is aware of the fact that a small percentage is taken by the government for programs like Medicare and Social Security. Is it fair for the elderly to receive free or reduced health care at the expense of other worker’s income? Well, theoretically, you put in your own money throughout your life which will come back to you after you retire, providing medical coverage. So one would give now, and receive later. In that aspect it sounds like a fair deal. However, with all of the medical advancements and a growing concern for personal health nowadays, more and more people are living longer and longer. Also, the huge Baby Boom generation is approaching retirement, which won’t help matters any. This results in them draining the Medicare funds for a longer amount of time, which is a current dilemma now. The public would undoubtedly frown upon an additional amount of money taken away from them for a service they don’t use, and possibly never will use. But the elderly are not the only group of people who enjoy Medicare. Physicians are the ones who get a large chunk of the Medicare funds. They know that older people won’t hesitate to visit the doctor if it’s courtesy of the government. A greater number of patients leads to more money for them. If the elderly had to pay their own way medically, physicians would probably see a distinct drop in older patients. So retired and disabled persons and physicians are two of the groups in society that heavily favor the idea of Medicare.

Medicare has also received a lot of attention politically over the past decade or so. Congress tries to make reforms to the current program often, and there is a lot of disputes about when and what to reform. Earlier in 1998, President Clinton proposed a plan that would allow 62-64 year olds to buy into the Medicare program by paying a monthly premium. Another option suggested was to allow persons 55 years or older to have access to medical coverage if they involuntary become unemployed. His overall goal is to increase the coverage for middle-aged Americans as well. “This is an issue of access. We’re not solving all the financing problems of the health care system,” stated Donna Shalala, the Secretary of Health and Human Services. It isn’t an unusual occurance in Washington however, to have Congress and the White House see things differently. One aspect of disagreement involves the giving of prescription drugs to those on Medicare. Sen. John Breaux (D) of Louisiana and Representative Bill Thomas (R) of California tried proposing on their own ideas to Congress. They suggested that there should be limited coverage for prescription drugs and a gradual increase in the minimum age requirement to be considered for Medicare to 67. They could not get enough support to get a super-majority needed for formal consideration, and Clinton didn’t approve of their ideas anyway. Clinton himself wants more thorough coverage for prescription coverage and insists on keeping the basic format the same as it currently is. He would also like to see 15% of predicted budget surpluses to go to the Medicare and Medicaid programs, an estimated amount of $700 billion. Most Republicans, and Breaux, believe that the surplus plan would in fact help in the short run and would ease the pressure in future reforms. It won’t, however, solve any long term issues: “Some people want an issue out of Medicare rather than solving the problem,” Breaux said. Clinton said that no reform will be made this year. On the plus side, the nation’s strong economy over the past several years has pushed back the bankruptcy date of Medicare from 2008 to 2015. “Medicare [will run out] in 16 years,” Clinton said, “We cannot, we will not allow that to happen.” When Clinton was elected in 1992, Medicare was projected to end this year. Much Progress has been made, but Clinton warns that it cannot stop here. “Some of the actions we took at the time were not particularly popular. But we knew they had to be done,” the President added. This topic will be brought up many times in the political races of 2000. Many Republicans, and Democrats for that matter, are eager to hear what George W. Bush’s position is on the subject. Whatever his stance is, he knows it’s going to be an uphill battle to continue preserving and improving the Medicare system. Most of the political debates concerning Medicare will be focused on economics.

Deciding how to get more money and how to spend it on Medicare are the two main disputes in Congress right now. This has always been an issue ever since the implimentation of Medicare over thirty years ago. But in the first few years of its existance, the Medicare budget was not as generous as it is today, obviously. For example, in 1967 only $4.2 billion was spent on Medicare. In 1993, $142.2 billion was used, more than 33 times more than twenty-six years ago. Therefore, the United States government has been quite efficient in finding ways to attain more and more money for Medicare. They haven’t had much of a choice though, especially within the past decade. As mentioned earlier, if the government did not take any action in getting reforms for this program it wouldn’t even be here today. This is a problem that will continue to haunt this country into the new millenium, especially with the growing support for a $200 billion a year budget for Medicare from congressmen. The support, however, is not great enough now. “I don’t find anything consistant with that [the support],” said Rep. Haley Barbour (R) said in an interview recently. “It would never have passed Congress. Nobody would have voted for it.” Maybe not now, but it could and may have to happen eventually.

Deciding whether or not to allow more money to be funnelled into this health care system is just one econimic predicament. Figuring out the most effective way to spend the money is another. In 1967, a whopping 63% of the $4.2 billion was spent on hospital inpatients. Physicians received 29% of the funds while nursing facilities only got 6%. Home health care and hospital outpatients took in a meager 1% apiece. But as the times changed, so did the distribution. In 1993, hospital inpatients attained just over half of the $142.2 billion, 53%. This considerable reduction resulted from attempting to minimize hospitalization time and trying to emphasize the effectiveness of services performed on patients at home. The amount given to physicians remained somewhat constant at 27%, as did the nursing facilities at 4%. The biggest change dealt with money outside the hospital. Home health care rose to 7%, and 9% was alloted to hospital outpatients. Will this more even of a distribution trend continue? Only time can tell us for now. Deciding how funds will be dealt to each area is only a minor concern compared to agreeing on the amount of funds itself.