

# Health Policy

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Health policy includes a variety of activities

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graph TD; A[Health policy includes a variety of activities] --> B[Public Health]; A --> C[Health Care];
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<u>Public Health</u> Focus on population Sanitation Disease control Infant mortality Nutrition Occupational health Environmental health	<u>Health Care</u> Focus on treatment of the individual Access Service delivery Standards for practice and treatment Funding Accountability
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## What patterns do we see in health policy in the U.S.?

- Public-private mix
- Episodic efforts at comprehensive reform.
- Policy develops through partial agreements and incremental adjustments that focus on particular groups.
- Legislative initiatives dominant; Madisonian?
- Persistent tension between public concern and skepticism about strong government role.
- US unique among industrial nations.
- Current: escalating costs; more people left out.

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## U.S. expenditures on health care

	1980	1988	1994	2000
Total \$ (billion)	245.8	558.1	937.2	1310
per capita	\$1067	\$2243	\$3534	\$4672
% private	57.3	59.4	54.4	54.9
% public	42.7	40.6	45.6	45.1
% federal	29.0	27.6	31.9	31.7
% state & local	13.6	13.0	13.7	13.4

Source: U.S. Centers for Medicare and Medicaid Services

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## Public share of the mix

- **Medicare:** Social Security Act of 1965. Provides health coverage to all citizens 65+.
- **Medicaid.** (Also 1965 SSA). Federally funded assistance to states to provide medical care to low income families.
- **State Children's Health Insurance Program (CHIP; 1997)** enables States to initiate and expand health insurance coverage for uninsured children. Part of Balanced Budget Act.
- **HIPAA (1996)** protects health insurance coverage for workers and their families when they change or lose their jobs.

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## Entitlements

- Payments to individuals
- Open to all who qualify because of age or income ("However if you qualify, it is difficult to get, because the government doesn't have enough money to pay for everyone that needs it. If you think you are eligible, you should apply right away, so that you can get the benefits as soon as they become available.")
- Medicare, Medicaid (Social Security, pensions)

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## Prominent episodes in the development of health policy: the more things change . . .

- Early 20th C.
- New Deal
- Post WWII
- Great Society
- Late 20th

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## AMA opposition to Truman's plan



▪ KEEP  
POLITICS  
OUT OF THIS  
PICTURE

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## Why is health a public problem?

- Health is a "primary good" or an important freedom that is essential for our well being and functioning as human beings.
- We are not willing to go without health care and cannot justify denying it to others explicitly.
- Some factors that shape health must be (are best) pursued collectively. (e.g. sanitation)
- Without government intervention some people will not have access to health care.

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## Who shapes health policy?

- Executive
- Congress
- AMA and other professional organizations
- Insurers
- Unions
- Service providers (HMOs, hospitals)
- Other interest groups (disabled, retirees, veterans)
- Bureaucracy

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## Where do they interact?

- Political bargaining in the legislative process.
- Electoral politics.
- Administrative decision-making.
  - Public bureaucracy
  - Private bureaucracy
- Courts.

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## Summary

- Persistent differences unresolved by long history of debate.
  - Extend access or extend range of care?
  - Greater equity (and perhaps uniformity) or emphasis on options, personal choice, & individual responsibility?
- History of failed efforts of comprehensive reform. Policy develops through incremental adjustments.
- Action centered around legislative politics and institutions.

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## Basic questions to understand these patterns

- Why is health a policy problem? What is the public stake?
- How is the issue/problem framed?
- Who are the actors?
- Where and how do they interact?
- What actions are proposed/taken?
- What is excluded? Who is left out?

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## 2 contemporary problems: the uninsured; prescription benefits.

- Framed around particular needs of particular groups.
- Debate centered in Congress.
- Interaction among interest groups is central?
- Continue pattern of incremental adjustments in policy.
- Focus on demands of the moment and what we can get agreement on at a particular time.
- Is discussion of health dominated by views on what government should and shouldn't be/do?

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## Getting the right mix: What decisions do we want to be public? Private?

### Public

- Greater equity
- Simpler
- Concern about abuses
- Standardization/Limits on choice?
- Limit development of health care?

### Private

- Competition leads to efficiency
- Greater individual choice
- Keep health care in private sphere (doctor-patient relationship)

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## What would it mean to make health care equitable?

- Equal shares. Shares of what?
- Equal shares, but unequal access.
  - Population is not uniform. Who gets access and who is excluded? Mentally ill? What kinds of medications/treatments are permitted/excluded?
- Equal opportunities.
- Equal outcomes: Unequal shares but equal health.
  - How operationalized? Equal statistical chances?
- Procedural versus substantive equity.

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## Institutional Setting of the Debate

The Congress

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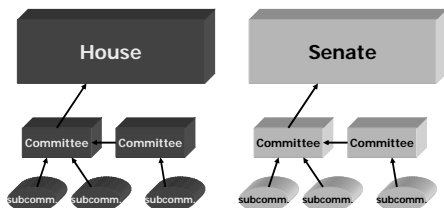
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## The Legislative Maze



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## Congressional Committee Structures

- House
- Senate

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## Subcommittee Setting



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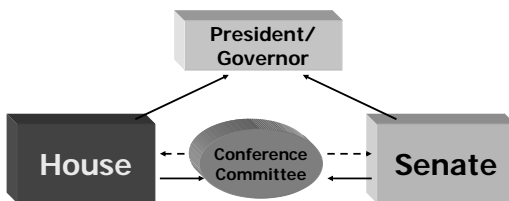
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## Final Steps



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## Implications for Policy-Making

- Widely dispersed power within and between legislative houses → bargaining & compromise
- Legislators must balance geographic (electoral) constituency against interest (issue) constituency in policy making
  - Public "rational ignorance" gives legislators considerable discretion in meeting special interest claims
- "Haves" favored over have-nots
  - Middleclass favored over the poor

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## Implications for Policy-Making

- Organized favored over unorganized
- Low risk-taking/incremental policies
- Legislature delegates authority to bureaucracy to solve problems
- Honest & Complete Deliberation is Difficult
  - Budgetary Politics often substitutes for substantive debate

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