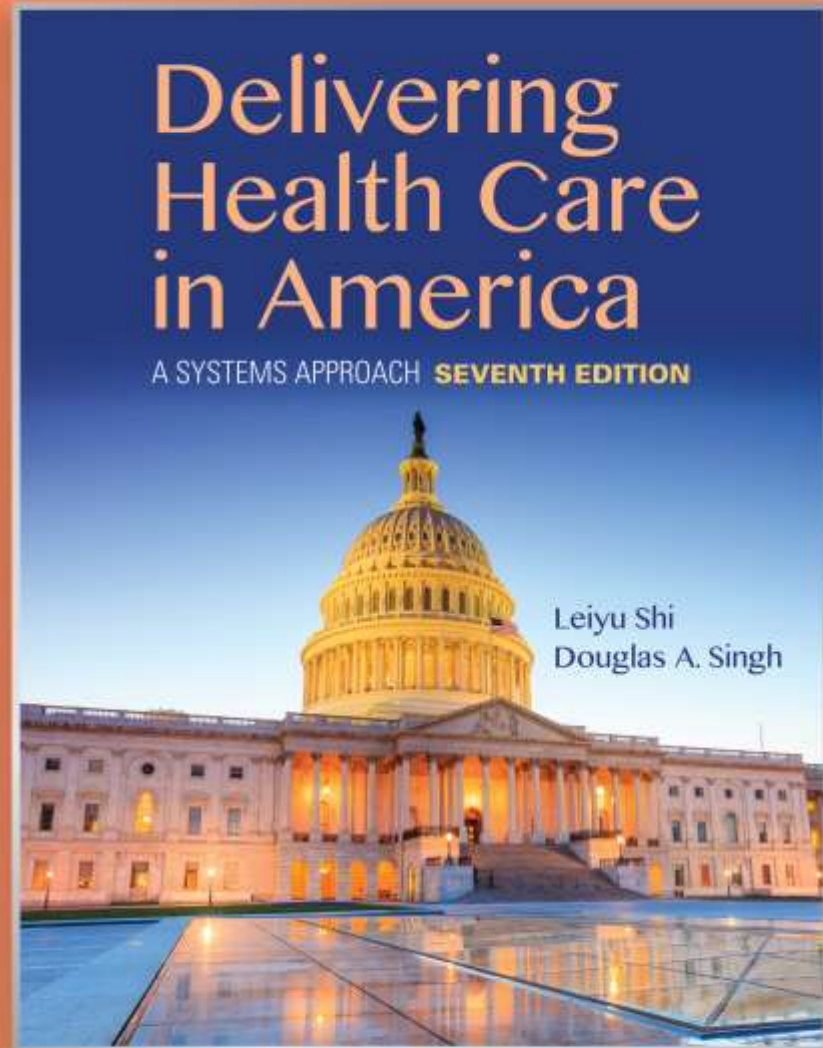


# Chapter 3

## The Evolution of Health Services in the United States



# Learning Objectives

- Developments shaping the U.S. health care system
- Understand the history of mental health care
- Why the system has been resistant to reforms
- Explore the corporatization of health care
- Identify the globalization of health care
- Historical perspective on the ACA
- Prospects of new health care reform efforts

# Introduction

- U.S. health care
  - Shaped by anthro-cultural values and social, political, and economic antecedents.
  - Evolution of medical science and technology.
  - Reform has taken center stage in American politics.
  - Tracing the transformations in medical practice.

# Medical Services: Preindustrial Era

(1 of 3)

- Colonial times in America
  - Medicine lagged behind other countries.
  - Treatment attitudes emphasized natural history and common sense.
  - Strong domestic character.

# Medical Services: Preindustrial Era

(2 of 3)

- Five factors making medical profession an insignificant trade
  1. Medical practice was in disarray.
  2. Medical procedures were primitive.
  3. An institutional core was missing.
    - Almshouse and pesthouse
    - Mental asylum
    - Dreaded hospital

# Medical Services: Preindustrial Era

(3 of 3)

4. Demand was unstable.
  - Fee for service
5. Medical education was substandard.

# Medical Services: Postindustrial Era

(1 of 5)

- Physicians
  - Delivered scientifically and technically advanced services to insured patients
  - Became an organized medical profession
  - Gained power, prestige, and financial success
- Health care took its current shape during this period.

# Medical Services: Postindustrial Era

(2 of 5)

- Seven factors in professional sovereignty growth
  1. Urbanization
  2. Science and technology
  3. Institutionalization
  4. Dependency
  5. Autonomy and organization
  6. Licensing
  7. Educational reform



# Medical Services: Postindustrial Era

(3 of 5)

- Specialization in medicine
  - Gatekeeping
- Reform of mental health care
- Development of public health
- Health services for veterans
- Birth of worker's compensation

# Medical Services: Postindustrial Era

(4 of 5)

- Rise of private health insurance
  - Technological, social, and economic factors
  - Early blanket insurance policies
  - Economic necessity and the Baylor Plan
  - Successful private enterprise
  - Self-interests of physicians
  - Combined hospital and physician coverage
  - Employment-based health insurance

# Medical Services: Postindustrial Era

(5 of 5)

- Failure of national health care initiatives during the 1990s
  - Political inexpediency
  - Institutional dissimilarities
  - Ideological differences
  - Tax aversion
- Creation of Medicare and Medicaid
- Regulatory role of public health agencies

# Medical Care in the Corporate Era

(1 of 3)

- Early developments
- HMO Act of 1973
  - Employers did not take option seriously.
- Corporatization of health care delivery
  - Managed care organizations (MCOs)
    - Basically indistinguishable from large insurance corporations

# Medical Care in the Corporate Era

(2 of 3)

- Globalization of health care
  - Four modes of economic interrelationships
    - Telemedicine
    - Medical tourism
    - Foreign direct investment in health services
    - Health professionals move to other countries

# Medical Care in the Corporate Era

(3 of 3)

- Globalization of health care
  - Three aspects
    1. U.S. corporations expanded overseas.
    2. Medical care by U.S. providers in demand overseas.
    3. Global health discipline.

# Era of Health Care Reform

(1 of 2)

- Six factors in passing the Affordable Care Act
  1. Democratic Party held presidency and majorities in Congress.
  2. Control of the executive and legislative branches.
  3. Closed door deliberations.
  4. Benefits were overstated.
  5. Backing of major industry representatives.
  6. Obama tied reform proposals to economic growth.

# Era of Health Care Reform

(2 of 2)

- Patchy legacy of the ACA
  - Partially reduced number of uninsured Americans.
  - Medicaid accounted for roughly 60%.
  - 40% attributed to income-based federal subsidies.
  - Required residents to have minimum coverage or pay penalty tax.
  - Many Americans did not benefit.
- Prospects for new reforms



# Summary

- Need for health insurance recognized in the Great Depression.
- U.S. insurance began as a private endeavor.
- Creation of Medicare and Medicaid.
- ACA passed without seeking consensus among Americans.
  - Provisions helped low-income Americans obtain insurance
  - Put greater financial burdens on the middle class