US Health Care System: Chronic Problems and Immigrants

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Abstract

Access to the US health care system is becoming a discussion topic each time when there is comparison with price and efficiency. Despite paying the most, Americans still are not able to get the best out of their payment. Previous deficits of the system made it necessary to change the Health Care policies in order to enable millions of Americans to become part of the health insurance system based on their income level. Nevertheless, the way that Affordable Care Act was accepted made it impossible for some groups like immigrants impossible to enroll in health insurance policies through Obama Care. This paper gives an overview how these problems persist and transformed in the course of American health care policy.

Keywords: Affordable Care Act, Obama Care, Health Care, America. US

Introduction

Health is the most important thing in the world that people have. It defines the situation and the role of a person in a given society. With their increasing level of wealth, many American citizens started to spend much more money for their health and wellbeing through private insurances. Of course, this is not itself a consequence of the wealth level, but there is also a growing dissatisfaction from the current situation of the country. Previous health care system in the US had its negative aspects that triggered the change. Another reason was the future and its vague aspect in terms of funding the health care through individual and government resources.

Until recent years, politicians and insurance companies for several reasons were claiming that the US had the best health care system in the world. However this was something not shared by the big majority of the Americans as well as the rest of the World. During the US election President Obama gave importance on the health care revisions and promised to American citizens to provide them with better treatment in the hospitals and more fair division of the health care facilities. In 2009, around 44 million people in the US were without access to health care facilities. This paper shall examine the problems in US health care system by attributing special attention on the long lasting problems and its chronic aspects dwelling from the American politics. World Health Organization (WHO) and Organization for Economic Co-operation and Development (OECD) reports will be used to support some arguments mentioned in the article. US health care system will be criticized based on equality in access and affordable conditions. As a conclusion possible solution ways and some suggestions will be discussed by taking into account the discussions in the US for the health care system and its priorities.

1. The Old Structure of the US Health Care System

Before going deep with the analyses, it is important to know the basic features of the US health care system. Like in many other countries in the world, US health care system also has private and public insurance plans. But the most important thing is that private elements are dominant over the public ones. However, it is necessary to define them in order to understand.

- **Medicare:** Medicare is one of the biggest health insurance programs in the United States. It is a federal program that covers individuals aged 65 and over, as well as some disabled individuals. Medicare is a single-payer program administered by the government; single-payer refers to the idea that there is only one entity (the government) performing the insurance function of reimbursement. Medicare is financed by federal income taxes, a payroll tax shared by employers and employees, and individual enrollee premiums. In order to ease its application Medicare is divided in different parts. Medicare Part A covers hospital services, Medicare Part B covers physician services, and Medicare Part D offers a prescription drug benefit (White 1995).

- **Medicaid:** Medicaid is a program designed for the low-income and disabled people. By federal law, states must cover very poor pregnant women, children, elderly, disabled, and parents. Childless adults are not covered, and many poor individuals make too much to qualify for Medicaid. States have the option of expanding eligibility if they choose to do so. For example, states can choose to increase income eligibility levels. The states and the District of Columbia are responsible for administering the Medicaid program; as such, there are effectively fifty-one different Medicaid programs in the country. Medicaid is financed jointly by the states and federal government through taxes. Every dollar that a state spends on Medicaid is matched by the federal government at least 100%. In poorer states, the federal government matches each dollar more than 100%. Overall, the federal government pays for 57% of Medicaid costs. Medicaid offers a fairly comprehensive set of benefits, including prescription drugs. Despite this, many enrollees have difficulty finding providers that accept Medicaid due to its low reimbursement rate (White 1995).

There are some other public managed health care programs. One of them is the State Children's Health Insurance Program (S-CHIP) which was designed in 1997 to cover children whose families make too much money to qualify for Medicaid but make too little to purchase private health insurance. S-CHIP and Medicaid often share similar administrative and financing structures. The other one is the Veteran's Administration is a federally administered program for veterans of the military. Health care is delivered in government-owned VA hospitals and clinics. The VA is funded by taxpayer dollars and generally offers extremely affordable (if not free) care to veterans.

The private part of the American health insurance system mainly consists from the employer-sponsored insurance which is the main one through which Americans receive health insurance. Employers provide health insurance as part of the benefits package for employees. Employer-sponsored insurance is financed both through employers (who usually pay the majority of the premium) and employees (who pay the remainder of the premium). Benefits vary widely with the specific health insurance plan. Some plans cover prescription drugs, while others do not. The degree of cost-sharing varies considerably.

The other private insurance type is called as the individual market. The individual market covers part of the population that is self-employed or retired. In addition, it covers some people who are unable to obtain insurance through their employer. In contrast to the group market (employment-based insurance), the individual market allows health insurance companies to deny people coverage based on pre-existing conditions. Individual market plans are administered by private insurance companies.

2. Quality of the Health Care in the US

It is mostly problematic to define exactly the quality of the health facilities in a given country. However there are some certain criteria that are applied by the WHO in order to determine the quality of health care in different countries. According to the WHO there are three main criteria which describe the quality of health care services in a given country; good health, responsiveness and fairness in financing (http://www.who.int/whr/2000/en/index.html 10.11.2015). Good health refers to the making the health care status of the entire population as good as possible. Responsiveness means responding to people's expectations of respectful treatment and client orientation by health care providers. Fairness in financing is another criterion, which means ensuring financial protection for everyone, with costs distributed according to the one's ability to pay.

Having the criteria above in mind, according to the WHO's report in 2000 US has been ranked 37th in the world (Tanner 2008). However, even US experts cannot agree on that point. They are likely to criticize WHO criteria of evaluation. These scientists are concentrated on the efficiency of the health care facilities. They argue that US system is one of the best in the world regarding the chronic treatments like cancer and the best results are achieved in the US in this area.

According to the OECD report, by spending 6714 USD per person, US is ranked as number one in health expenditures per person (Health Care Statistics of OECD countries). However, this situation is justified by some academicians that the reason for having this amount high is because of the innovation and researches in the US regarding the modern medical devices and the use of high technology in treatment (Tanner 2008). They are likely to ignore the problems related to the high costs of the US health care system and partially its accessibility.

But on the other side there some are other academicians who think that the industrialized countries with national health care plans spend less than the US and have better health outcomes. They think that uninsured 44 million people are the biggest problem of the US system which is a result of high prices. Again, they ask which is the best health care system that can be applied in the US. The only thing on which both sides agree is that US health care system is considered as the best in the world from the aspect of technical equipment. However, there are problems with the quality of the health care in the US.

3. Evolution of the US Health Care System

Before the emergence of managed care, it was largely physicians, acting individually on behalf of their patients, who decided how most health care spendings are done. They billed for their services and third party insurers usually reimbursed them without asking any questions, because the ultimate payers did not demand very coherent proof of payment. Now many employers have changed from passive payers to aggressive purchasers (Iglehart 1999; Gaffney 2015). Because of this reason and demand of high payment, turned citizens to opt for private insurance. Since there were also some problems with the type of the treatments accepted and diseases covered under the plans, the dissatisfaction level of the citizens has grown up rapidly.

With the invention of the modern technology US became a leading country in the world from the aspect of health research and investments in this area. Each and every year US hospitals started to use better technology than before and improved their quality. But in the same time this reflected the level of the prices also. Many people are still out of the coverage because of the high insurance prices. Health insurance was not affordable for some people. In one hand there are many people coming to the US to get medical treatment but in the other side are poor people who just cannot afford to buy a health care insurance. Meanwhile this situation is reflecting the health outcome of the population.

Even with the existence of the health insurance coverages, there are some specific and chronic diseases that are not covered by the health insurance plans, which bring in mind the attitude of some insurance companies to choose the diseases to cover. Covering these specific diseases could be possible only by additional subscription, which is extra expense for the citizens. This was the point when the Americans started to think that they are paying most in the world for health and do not obtain the equivalent treatment what they pay for (Gaffney 2015). Even the US government itself is the first in health expenditures in the world and still the outcome of the implentations is not efficient as the high level of payment.

4. Enrolment to Obama Care and the Case with Immigrants

The adoption of Affordable Care Act which is known as Obama Care has rapidly reduced the number of uninsured people in the US. Nevertheless, the plan itself brought certain eligibility criteria for government aid in insurance that left made certain distinction between documented-legal immigrants and undocumented-illegal immigrants. Illegal immigrants are people who live in US territory without permission and are not authorized to work. Legal permanent residents are those people who possess legal permit to live and work in the US. Positive aspects of the Affordable Care Act were highlighted in different occasions. However, many people for not covering almost 11 million undocumented immigrants in the US have criticized it. Political circles responded to critics that they would not change the bill and cover undocumented immigrants because it may turn into political campaign against the whole Affordable Care Act (Galarneau 2011). Therefore, undocumented immigrants were left outside of the coverage while there was no room left for further revision of the program in the future.

Reasons for this exclusion are simply explained as political and financial factors, which are intertwined. In the case where undocumented immigrants are included in the system, this will increase state and federal spendings on health care, which could be used as an argument by the opponents of Obama Care (Galarneau 2011). On the other side, there are religious organizations and charities, which support their inclusion to the program as a matter of solidarity.

4.1. Chronic Problems in the Health Care Policy

With the discussions still ongoing, the situation among the documented immigrants or legal permanent residents is not that brilliant, as it is perceived. There are certain conditions such as income level and the presence in the US that determine eligibility for the health insurance subsidies. Depending on the income level of an individual there are different premium costs for the selected program. Nevertheless, in cases where an immigrant is present in the US for the first year of his permanent residency, it could be difficult to prove his income in the US.

Since income from the previous year is used to determine the level of subsidy for health insurance in the current or the next year, those immigrants who are in the first year of their permanent residency would not be able to document their income from the previous year if they worked abroad (Interview with N. Tahir, 2015). Eventually, their application is admitted but later returned with notifications that a certified document of income is missing on the file. The high costs of health care treatment in the US affected also the system in the inclusion of immigrants. In some cases, emergency room visits became even more expensive than a treatment at the hospital itself (Filindra 2012). Since federal law obliges hospitals to treat an emergency case regardless of the fact whether patient has or does not have health insurance, some doubts were raised on the sustainability of such policy. For instance if patients are not able to pay for a treatment in the emergency room' then it would be the federal state or local state that could offer help. Both cases were perceived as another issue that could increase and transfer of the debts between the state and the hospitals. Therefore, they thought that it could be the best to offer documented immigrants certain rights and allow them to have the same rights in the Affordable Care Act process as US citizens (Filindra 2012).

Conclusion

Many problems make US health care system more complex. However, the most important issues are related with its pricing and the affordability by all spectrum of the citizens and immigrants-both legal and illegal. Although illegal immigrants are left outside of the coverage, there could be new changes on the policy depending on its acceptance among the Americans. It is expected that Medicare spending will push the federal budget into continuous deficit that could go out of control. Many economists consider that Medicare's rising costs to be the number one threat to the long term strength of the US economy which will have to deal also with an aging population (Capretta 2009).

Despite these predictions and examples of some successful systems in the world, US officials were reluctant to change the health care system because they were thinking that the previous system was bad one but at least working for the conditions of US. Health care systems that function efficiently elsewhere were not seen as an option for the US because of the doubts that they would not work well in line with the US realities. Even Obama Care became subject of the discussions whether government should intervene in health care and public health policies.

The current Affordable Care Act seems to answer some basic requirements. However, there is an immense need to improve its standing in the future by making it accessible to everyone. Despite there are opinions that the government should not deal with the health care itself, the current situation in the US showing exactly the opposite situation. Obama administration did many different things in the area of health care, which was not possible to imagine few years ago. However, from the theoretical point of view it is obvious that the state should take into consideration citizens' needs and act accordingly. Either state or private based one, the biggest problem to overcome in the US health care system is the equal access to the health care services. The establishment of Obama care and its approval by the US Supreme Court gave a total legitimacy to what has been done recently in health care reforms.

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