

PCH 358 – Organization of government & the US health system

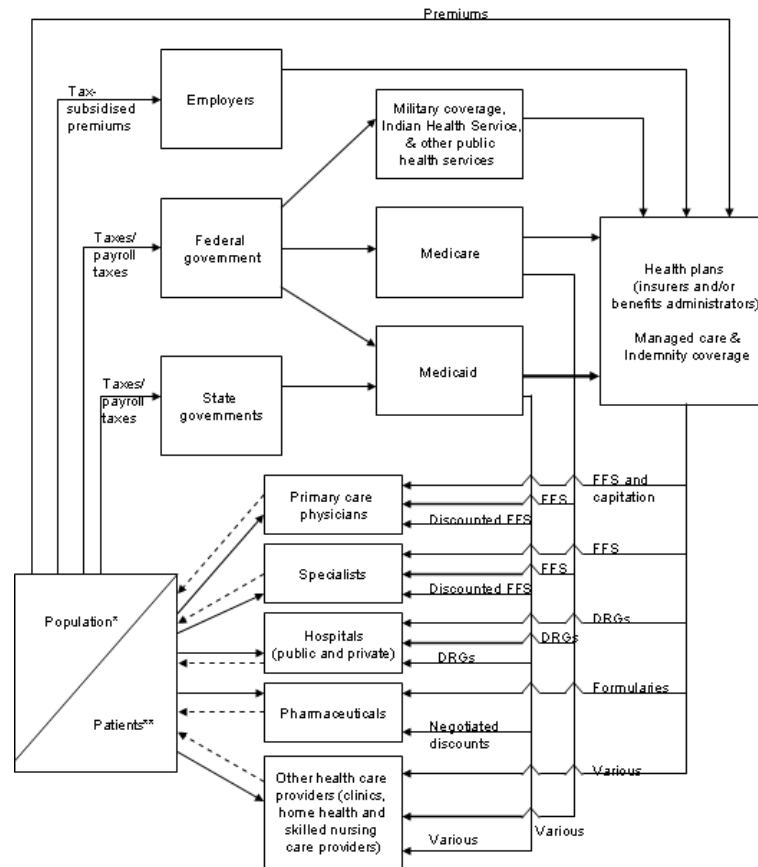
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Fall 2011



- We should resolve now that the health of this Nation is a national concern; that financial barriers in the way of attaining health shall be removed; that the health of all its citizens deserves the help of the Nation.
 - President Harry Truman,
 - Special Message to the Congress Recommending a Comprehensive Health Program
 - Nov. 19, 1945

- America's health system is neither healthy, caring, nor a system.
 - Walter Cronkite

US health care system

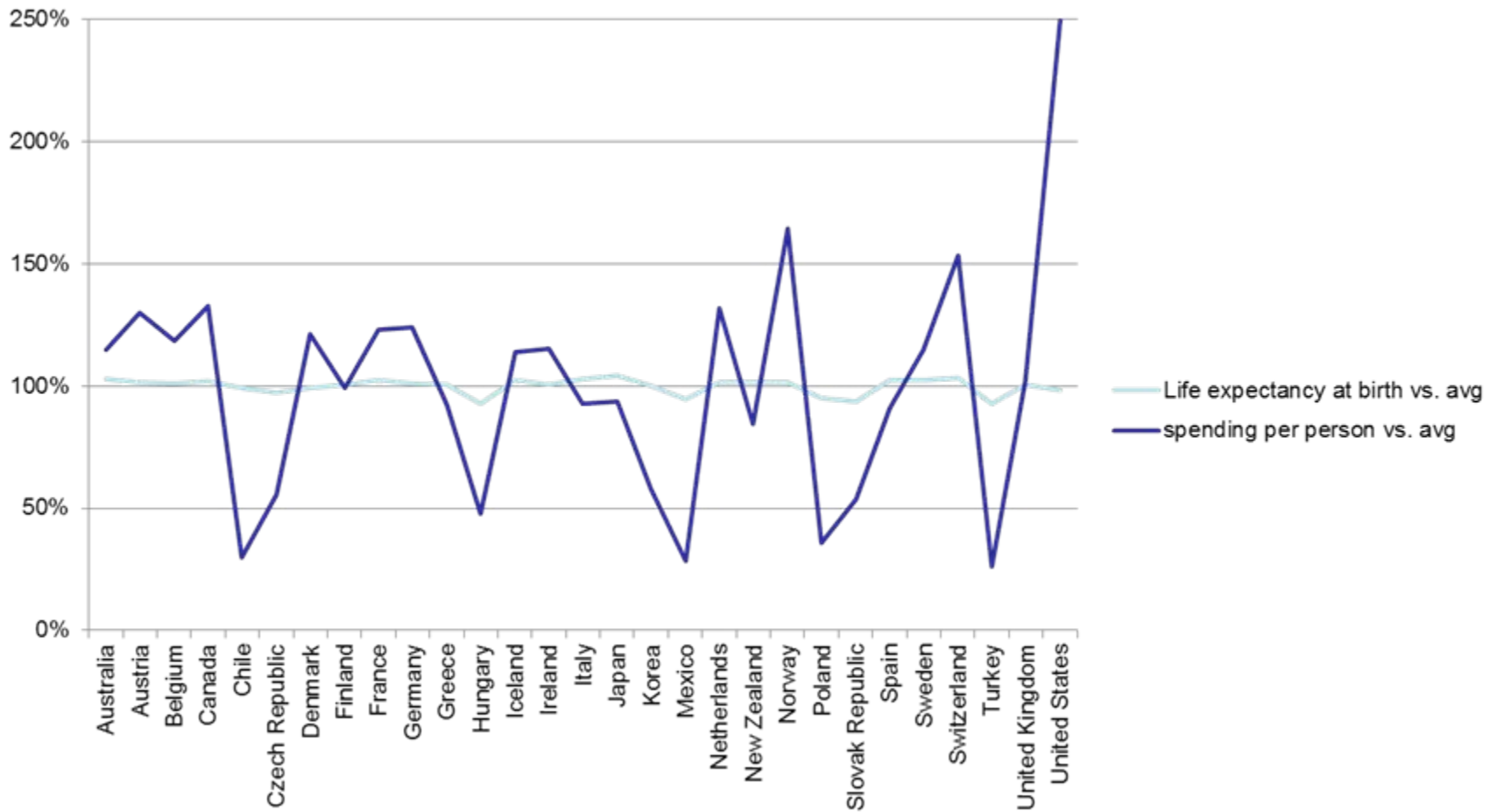


NOTE: FFS is fee-for-service payment DRGs are case-based payments to hospitals based on a diagnosis-related group system.

*Health care for the 14% of the population lacking health insurance coverage is financed by publicly subsidised charity care and patients' out-of-pocket payments to health care providers.

**Patient cost-sharing arrangements vary widely by type of coverage. Indemnity coverage generally includes deductibles and co-insurance. Managed care plans often require co-payments for certain services.

Life expectancy vs. health care spending, OECD countries 2007



Why government matters

- Presumption in US that private markets should drive the production and consumption of goods and services
- Government intrudes only when private markets fail
- Health is not a well-functioning private market
 - Consumers and employers don't have the information they need to make the best choices
 - High cost to expand supply
 - Poor can't afford health as a basic necessity
 - Public interest in stepping in for those who can't afford what they need
 - Severe consequences for poor quality, strong public interest in safety
 - Consumer protection to ensure that insurers are playing fairly

Why government matters

- For the first time, as of last year, governments now pay over half of all US medical bills
- Government regulates (or declines to)
 - health care finances
 - how health care is delivered
 - who can build more capacity
 - trains health care workforce
 - Licenses providers and institutions
 - Insurance regulation
 - Protects us from environmental health hazards
 - Ensures our safety in restaurants, drugs, etc.
 - Public health education campaigns
 - Market concentration

Why government matters

- Government collects data on health problems, costs, capacity, vital statistics, etc.
 - creates plans to coordinate all players
 - Has the clout to bring players together
- Integrates health goals/values into other policy areas, e.g. transportation, agriculture, tax policy, advertising
- Government pays for most research on treating disease, new medications
- Government provides some care
- Disease surveillance
- Emergency preparedness
- Public health programs

I would rather entrust the government of the United States to the first 400 people listed in the Boston telephone directory than to the faculty of Harvard University.

--William F. Buckley Jr. (a Yale grad)

state vs. federal

State role	Federal role
Medicaid, CHIP	Medicare
State employee coverage	Federal employee coverage
Regulate insurance	Taxes
License providers	Fund state health programs
Provide care	Guidance to states
Innovations in covering the uninsured	Research
Local health dept.s	
Public health programs	Public health programs

branches

- Legislative
 - US Congress, CT General Assembly
 - House and Senate
 - Elected officials, staff – partisan and nonpartisan
- Executive
 - US – President, agencies,
 - i.e. HHS, CMS, NIH, AHRQ, SAMSA, FDA, CDC
 - CT – Governor, agencies
 - i.e. DSS, DPH, higher education, DCF, DMHAS, DMR
 - Elected officials, some appointed, some civil service
- Judicial

branches

- Legislative
 - Passes bills
 - Sets policies
 - Holds public hearings
- Executive
 - Veto power over bills
 - Runs agencies
 - Implements laws
 - Monitors spending
- Budget
 - Cooperative agreement between branches
 - Numbers and narrative

People who love the law or good sausage
should never watch either being made.

-- German Chancellor Otto von Bismark, 1815-1898

legislation

- Starts as an idea – can be from constituents, “special interests”, agencies, research, other states, federal incentive, the legislator’s experience
- Generally to solve or prevent a problem, take advantage of a new opportunity
- Proponents, opponents, status quo
- Fiscal notes
- Starts in committees, testimony
- Moves to other relevant committees
- Committee leadership, legislative staff critical to passage
- Lots of noise – 100’s to 1000’s of proposed bills each year
- More open process
- To House, Senate for vote
- Amendments

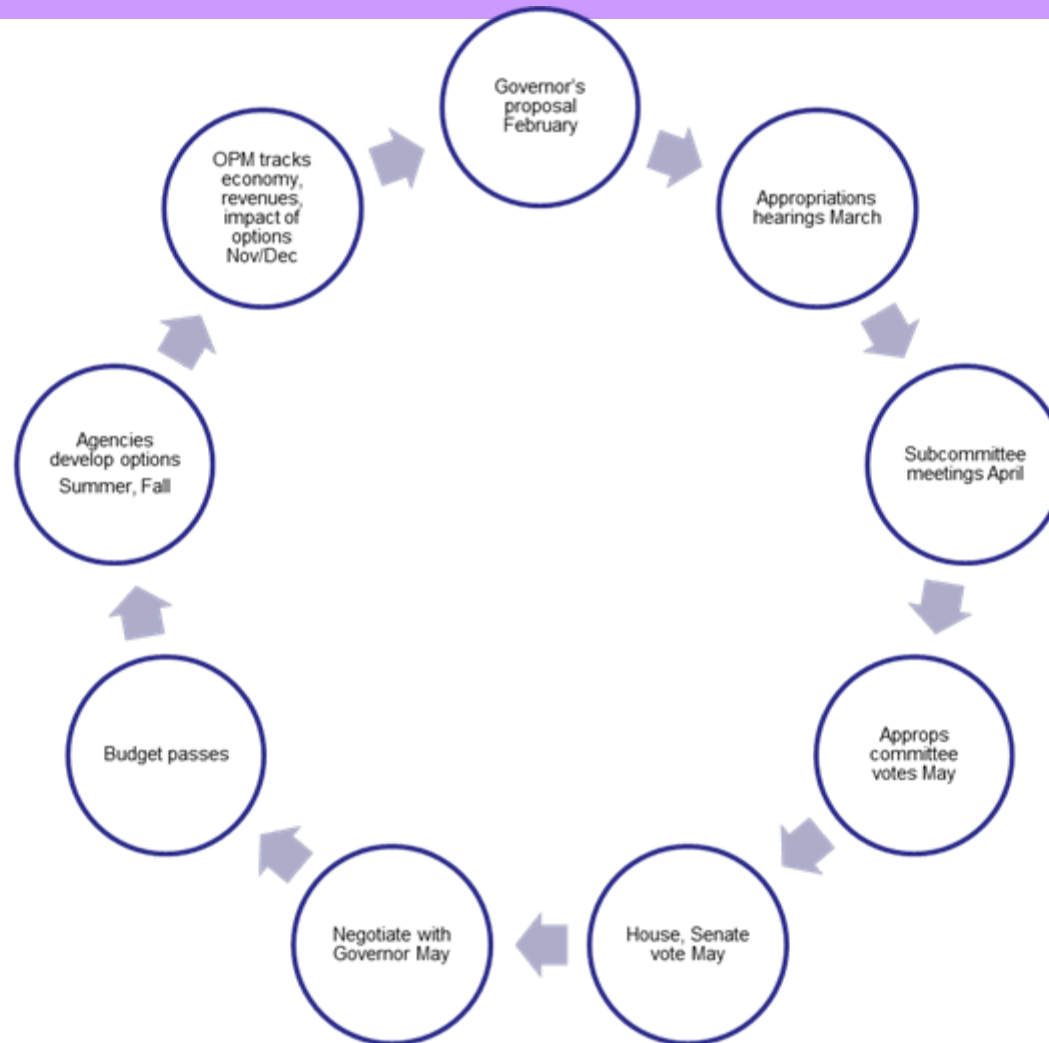
committees

US Congress	CT General Assembly
Senate Committee on Health, Education, Labor and Pensions (HELP)	Public Health
Senate Finance Committee	Human Services
House Committee on Energy and Commerce	Insurance and Real Estate
House Committee on Ways and Means	Labor and Public Employees
	Children, Aging
	Appropriations

budget

- Constant tracking of revenues, spending, economic trends
- Agencies send options to Governor/President
- Governor's/ President's proposed budget
- To legislative committee(s) by issue area
- Hearings, votes, negotiation
- Less public process
- Chairs, staff very important
- CT -- budget bill has the numbers, implementers for each agency
- Biennial budget sort of
- Rainy Day Fund
- Bonding, borrowing
- Fed.s can run a deficit, states can't theoretically

CT budget timeline



executive branch

- Sets agency options, evaluates/lobbies legislation
- Implementation – enthusiastic vs. resistant
- Not elected, not public processes generally
- Appointed vs. civil services
- Freedom of Information
- Regulatory process, rule-making
- Interagency communications – within government, between federal and states

policymaking

- Political process
- Interactive
 - executive included all through legislative process
 - Opportunities for input all through process
- Interdependent
 - Revenue changes affect funding levels
 - Federal and state interactions
 - Executive and Legislative
- Modifications
 - Budget is essentially annual
 - Changes in policies to reflect changing environment, new research
 - Deficiency modifications
- Not permanent but usually glacial movement
- Hard to change but does change over time