Government and the Health Care System

Presentation Objectives

- Distinguish the roles of federal, state, and local government in the U.S. health care system
- Identify the roles of the legislative, executive, and judicial branches of government
- Articulate the role of ‘fourth branch’ in U.S. government
- Relate the Affordable Care Act to the policymaking process described above
Government Involvement in Healthcare

• High compared to other industries in U.S.
• Low compared to other industrialized countries
• Historical role of government
  – Sanitation
  – Communicable disease
Government Pays for Almost Half in U.S.

National Health Expenditures by Source, 2007

- Federal: 34%
- Private health insurance: 35%
- Other private funds: 7%
- Out-of-pocket payments: 12%
- State and local: 12%

Percent of funds contributing to national health expenditures, by source, 2007.

**Government as Payer**

- **Federal**
  - Medicare
  - Share of Medicaid & SCHIP

- **State**
  - Medicaid
  - SCHIP

- **Local**
  - Hospital taxing districts
  - Voter-approved health care district
Government as Regulator

- Federal
  - Testing and approval of pharmaceuticals
  - Access to emergency care (EMTALA)

- State
  - Certificate of Need (CON)
  - Regulates health insurance companies
  - Licenses physicians, nurses, hospitals

- Local
  - Water supplies and waste disposal
  - Food inspections
Government as Provider

• Federal
  – Veterans Health Administration and Tricare
  – Indian Health Service

• State
  – Community health centers (CHC)
  – FQHC
  – The health care “safety net”
  – State hospitals

• Local/County
  – Example: Jackson Health System in Miami-Dade

http://therealdeal.com/miami/blog/2013/11/06/miami-dade-oks-jackson-health-system-funding/
Other Government Roles

- Health care research
- General medical education (GME)
- Federal tax subsidy for employer-based insurance
Three Branches of Government

• The Legislative Branch
  – Creates the legislation
  – Oversight of law

• The Executive Branch
  – Regulation of law
  – Administration of program financing

• The Judicial Branch
  – Interprets of the law
Fourth Branch of Government

- Special interests
- Media
- Public
Example: ACA

• Most important legislation of our generation(s): Affordable Care Act
• Legislation
• Regulation
• Judiciary
Conclusion

• Very complex
• Multiple levels
• Many stakeholders
• Government deeply involved in U.S. health care system