Health Insurance and Health Reform in 20th Century America

7 March 2017

Kill or Cure
University of Warwick
Overview

- Examine health care reform in 20th century America, beginning with Progressive health insurance in the 1910s
- Analyse political and social forces that shaped the US healthcare system, including presidential politics, physicians, workers unions, and social activism
- Examine healthcare reform within the historical context of the Great Depression, the New Deal, and World War II
Outline

❖ Review: Health and Medicine in America
❖ The Current State of Healthcare/Health Insurance in America
❖ Health Reform in the 20th Century
  ❖ Paying for Medicine in the 19th Century
  ❖ Progressivism and Health Reform
  ❖ Blue Cross Plans
❖ Government Sponsored Health Coverage
❖ Summary
Health and Medicine in America: Quick Review

❖ Week 17: Germ Theory
  ❖ Human relationship with the environment
  ❖ Shifting interpretation of disease
  ❖ Significance of bacteriology
  ❖ Changes in domestic and clinical settings

❖ Week 18: Medical Institutions
  ❖ Impact of bacteriology on development of:
    ❖ Medical Schools
    ❖ Hospitals
  ❖ Transformation of American hospital from charitable institution for poor to mecca of modern technology and medicine
  ❖ Highlight social, political, technological forces that drive this transformation
Health Insurance in America: Today

- Employer-based health insurance
- Non-employer based health insurance (private)
- Government sponsored health programs
  - Medicare
  - Medicaid
- Affordable Care Act
Laurie Kaye Abraham

Mama Might Be Better Off Dead

The Failure of Health Care in Urban America
Progressivism and Health Reform

- American Association for Labor Legislation creates Committee on Social Insurance (1912)
- Social Insurance Bill (1915)
- Response:
  - Medical Profession: Enthusiastic
  - American Medical Association: Supportive
- By 1917, support for social insurance shifts
Blue Cross Plans

- By 1930, size and complexity of hospitals stamped them as technological bureaucracies
- Resulting Blue Cross plans were major organisational innovation of the 1930s
- Protected workers against high costs of hospital technology
- Improved hospital access without resorting to government (compulsory) health insurance
- Gave large employers opportunity to support/guarantee services for employees
Compulsory Health Insurance Debates

- 1945 President Truman delivers message to Congress for improving health and healthcare in US
- 1946 Federal Hospital Survey and Construction Act (Hill-Burton Act)
- 1965
  - Medicare
  - Medicaid
President Lyndon B Johnson signing Medicare Bill

30 July 1965
APPLICATION FOR ENROLLMENT
in the
Supplementary Medical Insurance Program
Under the Social Security Act

PLEASE READ THE ENCLOSED LEAFLET

Harry S Truman
Independence, Missouri

TO GET MEDICAL INSURANCE
CHECK YES

The Federal Government will pay half the cost of this insurance. Your share of the cost ($3) will be deducted from your monthly social security benefits.

IF YOU DO NOT WANT THIS MEDICAL INSURANCE
CHECK NO

SIGN HERE

Harry S Truman

SIGNATURE OF WITNESS

ADDRESS OF WITNESS

DHEW — SOCIAL SECURITY ADMINISTRATION

Do not write in the space above

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY

JOHN DOE

MEDICARE CLAIM NUMBER

000-00-0000-A

SEX

MALE

IS ENTITLED TO

HOSPITAL (PART A) 01-01-2007
MEDICAL (PART B) 01-01-2007

SIGN HERE

SAMPLE
Summary

❖ Absence of universal medical care/coverage a striking feature of American culture
❖ Before development of medical insurance programs, patients paid healthcare costs directly to physician
❖ Story of Progressive Era health insurance campaign demonstrates America’s limited welfare state was born of political and ideological struggles
❖ Battles over healthcare reform, in Progressive Era and today, have displayed the ability of private interest groups to shape the actions of the American state