

American Health Care Landscape Government Programs

Medicare

- Traditional (Part A, B, D)
- Medicare Advantage (Part C)

Medicaid

- Traditional
- Medicaid Expansion
- Medi-Cal

We will cover the two largest Government Programs in this discussion, but keep in mind from a policy perspective impacts to, or consideration of, the other “alphabet soup” programs would need to be discussed on a more granular level.

Medicare—most people are at least somewhat familiar with medicare. Traditional medicare, when you hear people talking about the “parts” A, B, D are generally administered in a fee-for-service (FFS) framework. In other words, a member goes to the doctor, and the government pays the fee for that service. Medicare Advantage or “Part C” is where a member purchases a part C plan from a Health Plan. The members premium dollars are now paid directly to the health plan, and the member receives all of their care through that plan. These are popular because the Health Plans provide more benefit coverage than a member can receive with straight medicare and it eliminates out of pocket cost shares that might come up, such as reaching the doughnut hole, or co-insurance costs on medications.

Medicare is a stable and successful program, in large part because it is specifically geriatric care. The reason “Medicare for All” is a terrible idea, is because it would no longer be a focused program for a specific pool of individuals. Opening up medicare to include all people would completely change the coverage needs, contracting or network needs, benefit needs, type and age of care needs, and all the cost drivers associated with those changes. It would be an unsustainable program.

Medicaid—traditional medicaid refers to the medicaid program prior to the Affordable Care Act (ACA) that served low income pregnant mothers, young children, and children in the system, such as foster care. Certain requirements had to be met for a person to receive medicaid and

each state sets its own parameters for the program. Under the ACA there was an option to “expand medicaid,” this is what we refer to as Medicaid Expansion. Under this provision anyone under a certain income level would be eligible for medicaid with no additional parameters; however, the Federal government has much more control of the program and can set and demand certain coverage and program administration. So the expansion money comes with a hook, if a State is interested in keeping its autonomy over the program. Medi-Cal is the California medicaid program, I added this point as many people get confused about that and don’t realize it is the same as medicaid.