



CMA Weekly Alert - July 28, 2005

## **MEDICARE AND MEDICAID: 40 YEARS OF SUCCESS AND PROMISES TO KEEP**

Forty years ago, on July 30, 1965, President Lyndon Johnson signed into law two of the nation's most significant government-sponsored health insurance programs. The Medicare and Medicaid law was designed to provide health benefits for senior citizens, low-income pregnant women and their children, and, eventually, people with disabilities. Over the past 40 years, these programs have given over 100 million Americans access to affordable, high quality medical care.

As we celebrate Medicare and Medicaid's 40<sup>th</sup> anniversary, it is important to highlight their integral role in our nation's healthcare system. Nearly one out of every four Americans receives health insurance benefits through Medicare or Medicaid. Medicare is a national health insurance program, available to older people and people with disabilities regardless of their income and assets. Medicaid beneficiaries live on very modest incomes and have limited assets, and are dependent on federal assistance for access to medical care. The medical care provided by both programs is crucial in maintaining beneficiaries' health and independence. One-third of beneficiaries rely on Medicare or Medicaid to aid them in basic activities of daily living, such as bathing and eating, and nearly all rely on these programs for the treatment of a chronic condition. Without Medicare and Medicaid, these individuals would suffer from poor health and have an increased risk of developing more serious conditions.

Medicare provides access to health care to nearly 42 million Americans who are aged 65 and older or who receive Social Security disability benefits, and is integral to the health and well being of our nation's more vulnerable population. Before the law was enacted in 1965, only 50% of people 65 or older had health insurance; now, because of Medicare, 95% have coverage.

Under the traditional Medicare program, Medicare Part A provides beneficiaries with access to home health care as well as to life-saving surgeries such as cardiac bypass and organ transplantation. It enables them to maintain their independence and enjoy an improved quality of life through procedures such as cataract surgery and hip and knee replacements – and to die with dignity with hospice care. Supplementary Medicare, or Medicare Part B, offers beneficiaries an optional benefit for outpatient doctor visits, durable medical equipment such as wheelchairs and walkers, and preventive services such as flu shots and mammograms. Medicare also provides healthcare for individuals with kidney disease, and allows them access to life-saving dialysis treatment.

Medicaid, a joint partnership between the federal and state governments, provides healthcare to 53 million Americans who meet certain income and/or health status guidelines. Immunizations and regular doctor's visits for children; prenatal care for pregnant women; community and nursing home care for the elderly; and medical equipment for the disabled are just some of the vital services that Medicaid provides. Nearly a third of all births in the United States are covered by Medicaid, and Medicaid is the only healthcare resource for these new mothers to rely on. Medicaid also provides healthcare for people living with HIV, and may be the only means by which HIV patients can obtain access to life-sustaining treatments.

We are approaching a new milestone in the Medicare program. Beginning on January 1, 2006, Medicare will begin offering prescription drug coverage for outpatient drugs. Beneficiaries who had to pay for their own prescription medicine may now see some relief from high drug costs. Medicines that may have been too costly and out of reach for many may be made more affordable, thereby improving their health and relieving them from financial anxiety. The success of this program, however, remains to be seen. The complexity of offering a benefit through a wide variety of private prescription drug plans, rather than through Medicare itself, may prevent many from enrolling. The failure to allow the Secretary of Health and Human Services to negotiate drug prices on behalf of Medicare beneficiaries may limit the relief beneficiaries hope to get from the high cost of prescription drugs.

As we celebrate the successes of Medicare and Medicaid, and look to the future of these programs, let's not forget the challenges that they face. Affordable long-term care must be achieved and equal access to health care must be ensured for all beneficiaries. This precious public funding must be spent on quality, needed services, not on profits for private industry. Virtually all Americans can expect that they will someday be eligible for Medicare, and Medicaid provides a crucial safety net for those most in need. It is our duty to maintain these vital programs for future generations.

Our goal is to keep Medicare and Medicaid's promise to provide fair access to health care through a unified program for our older and vulnerable citizens. In this way we can ensure that Medicare and Medicaid's 40<sup>th</sup> anniversary will mark their grand maturity, not their mid-life crisis.

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