

Topics in insurance



Running head: US medical insurance scheme (Lecturer) Introduction

This paper reports on the medical insurance schemes in USA. In this country, this service is provided by the government through its major agents. The paper analyses this issue by extensively exploring the Medicare and the Medicaid health insurance schemes. In this regard, the term insurance refers to a process by which a person is guaranteed compensation in case of a risk occurrence. Such risks may include: sickness, damage or death. (Gehshan, S. et al, 2000).

Medicare

Medicare Insurance scheme is fully funded by the federal government. In its operations, it only covers the elderly persons at the age of 65 years and above (Edelstein, B., 2000). At the same time, it can also cover those who are below this specified age, but have special needs- the disabled or those suffering from the end stage renal disease. Under this scheme, one is eligible to be covered for the hospital bills under the umbrella of category ' A' at the same time, one can enjoy insurance coverage under part ' B' or be covered for the prescription of drugs under the scheme's part ' B'

This scheme however differs from the Medicaid programme because it mainly focuses on the elderly people at the age of 65 years and above. On the other hand, the Medicaid programme is open to any person in any age group. Similarly, the Medicare scheme solely relies on the federal government for funds while the Medicaid does not entirely depend on the federal government for funding. Part of its budget is footed by the respective semi- autonomous state governments.

Medicaid

Medicaid insurance on the other hand relies on the federal government to

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offer health coverage or to provide home nursing for a specified category of people in the United States of America (US General Accountability Office, 2000). Such categories of people eligible for coverage under this noble programme are the low income earning people in the American society. They include the children, parents of eligible children, the elderly, pregnant women and the disabled who may be in a dire need for home nursing. Ideally, this programme was designed to help the categories of people to afford medical bills under the Medicaid programme, an eligible person is entitled to be wholly or partly be assisted to settle their medical bills. Generally, there are two distinct types of Medicaid- Community Medicaid and the Medicaid nursing. Community Medicaid in its part was designed to assist people who a little or no medical insurance schemes at all. However, medical nursing home scheme on the other hand, is meant for paying all the bills incurred during home nursing for those who are eligible for this scheme. Such people spend a big percentage of their income on the home nursing services to the extent that they can only save up to US \$ 66 monthly for their personal use.

Even if the general rules governing the operations of the Medicaid are provided by the Centers for Medicare and Medicaid, each state runs its own programme. Consequently, the eligibility rules differ from state to state even if all these states must stringently adhere to some standards. This rule states that for one to be considered eligible for this scheme, one does not only need to be poor, but to also belong to another category as clearly stipulated. Services are not guaranteed to the poor persons unless there is a special case for a special category of eligible individuals. This means that it is not poverty alone that makes one be eligible. Eligibility can also depend on

resources, income, age, blindness, assets, pregnancy and disability. Under this scheme, one third of the children and 59% of the low income children are covered.

This scheme therefore appears to differ from the Medicare Insurance scheme in that, unlike the latter, which is a social scheme fully funded by the federal government and focuses on the older population, it does not solely depend on the federal government for funding. Neither does it reserve this scheme to the old folk. This scheme is open to all the eligible cross cutting categories of people in the society irrespective of the age.

The future of Health Insurance in USA

Based on the above facts, I would like to strongly suggest that the future of the health care insurance scheme in the USA is bright. The kind of management that has been adopted in this sector has seen it grow tremendously. For instance, according to the US official government reports, 6.5 million people were recorded to have registered for the Medicare and Medicaid schemes in 2001. This supports the proposition that the sector is expanding. More of expansion, according to me, is expected in the years to come. This is as a result of the unlimited support accorded to the sector by the federal government, state governments, the US Department of Health, the county governments, the respective municipalities and the individual US citizens.

Conclusion

In conclusion, I would like to commend the US federal government for having the interests of the people especially the poor at heart. A lot of funds dedicated to provide medical insurance schemes have positively transformed the lives of many disadvantaged people. This has instilled confidence on

many people who have expressed their satisfaction for this scheme. Hence, with this support, in my well thought opinion, the future of the medical insurance scheme in US is defined.

However, more funds should be provided in order to extend this service to all the US citizens irrespective of income, age, gender or condition. This will truly make the scheme to appeal to all.

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