Inequalities in health care provision

The two case studies to support the article ‘Inequalities in Health Care Provision’, which focuses on how studying health care systems can introduce students to the issues of inequality.

Voluntary Health Insurance: The USA

The USA has a predominantly private health care system, based on free market principles, which is in contrast to the national health care systems of Britain and France. The majority of individuals (around 63% in 2004) are covered for medical services through independent medical insurance plans which are often paid for by employers as part of an employees total remuneration package. The value of health insurance coverage through an employer for a family of four is about $10,000 per year (equivalent to the minimum wage in the US, or half the salary of an average Wal-Mart employee). Insurance is provided by third party profit-making organisations that factor increased costs into the American health care system. These health insurance companies are in a very powerful position and have so far resisted any changes to the US health care system with intense lobbying of the Clinton Administration. It will be interesting to see how they react to changes proposed by Barak Obama.

Despite offering a supposed free market system in which an individual can choose the provider of their health care, a system of Managed Care Organisations (MCOs) has developed in the US as a way of providing health care. An MCO manages health provision for a number of insured patients and individuals will normally use the physician or specialists to which the plan gives them access. Insurance companies and MCOs are often selective over which individuals they will accept and the types of medical services that are covered. A system called Medicare exists for Americans over the age of 65 and provides insurance paid for by the state. In 2004 it provided cover for 39.7 million people. Individuals still have some level of choice of health service provision. This therefore ensures that elderly Americans have access to health care irrespective of income.

The problem with the American model is the 45.7 million people (15.3% of the population) who are without health insurance. A state ‘safety net’ Medicaid provides basic health insurance for about 31 million Americans, which still leaves around 14 million Americans with no access to health care. Those without any form of insurance have the choice of paying the full cost of treatment (which is often prohibitive), forced to ‘beg’ for health care from charity hospitals, or to go without.

President Obama came to power in the US in January 2009 promising change for the American people. One of his key domestic pledges was to reform the US health care system to provide some form of universal health coverage for all, as well as improving the quality of health care and lowering the costs.
In the year 2000, the World Health Organisation said that France provided the best overall health care in the world. France operates a health care system that is mainly funded by the government but provided through a number of social insurance schemes which provide cover for almost all of the population. In 2004, over 80% of the population were covered by the dominant state regulate insurer. Individuals must pay a compulsory health insurance of 0.75% of earnings which is deducted from their salary. The employer then makes a contribution of 12.8%. About 85% of the population also pay a voluntary premium of 2.5% of their income on top of this to ensure that health costs are fully reimbursed. Recent health reforms have introduced a system of universal health coverage (couverture maladie universelle, CMU) and those earning less than €6,600 do not make health insurance payments and are covered by the state.

Medical services are provided by generalist physicians and there are no restrictions on where doctors may set up their practices. Individuals have the choice of using more than one general physician. Access to hospitals and specialist services does not depend on referral by a general physician. Indeed some specialist services (such as gynaecology) often have community based specialist units.

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