How Health Care Works in the United States

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Last month’s editorial reviewed international health-care systems and how the US system compares. This month we provide a brief overview of the complicated structure of the US system.

PRIVATE INSURANCE, MEDICARE, AND MEDICAID

It is estimated that 63% of people in the United States have private health insurance, either fee-for-service or managed care. With the fee-for-service system, patients pay the bills up front and are reimbursed by the insurer over and above their annual deductible. In the managed-care system, patients make copayments for services or prescriptions, and doctors, hospitals, and pharmacies file claims with and are reimbursed by the health maintenance organization, usually at a discounted rate.

Approximately 11% of the population is insured by Medicare. Medicare pays the hospital a predetermined amount based on the diagnosis-related group. The hospital absorbs the loss or profit from the difference. Doctors bill the government for approved services and are paid the lesser of either the submitted charges or the amount determined by the Medicare fee schedule. Medicare does not cover prescription drugs.

Approximately 10% of people are insured by Medicaid, a program funded by state and federal governments (administered by states) to cover the poor. Patients carry a Medicaid card for service, and providers bill the government. Some states impose minor deductibles and copayments, but most Medicaid patients pay nothing for health-care services.

THE UNINSURED

Approximately 16% of US citizens are uninsured. They must pay out-of-pocket for any medical expenses incurred. Uninsured people are likely to receive most of their care in emergency rooms and present with advanced conditions. Hospitals that cannot recoup bad debts from uninsured patients receive some government subsidies for indigent care; they also are forced to raise prices for insured patients. Facilities in low-income areas are threatened with bankruptcy if they cannot collect adequate revenue.

IS THERE A DOCTOR IN THE HOUSE?

The US health-care system is a complicated network characterized by immense bureaucracy and the inability to fund drugs for the elderly or protect poorer citizens from catastrophic health-care costs. With national health-care spending on the rise, the nursing shortage, and the uncertainty of Medicare’s long-term financial solvency, Congress has its work cut out this year as it considers a Medicare outpatient prescription drug benefit and tax credits for the uninsured, among other items.

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Where does that leave doctors? Increasingly confronted with the business aspect of health care, less time spent with patients, and less income. A lot of attention has been paid to making our practices more efficient, cost effective, and patient friendly and improving our public image. These are necessities for surviving in the current health-care environment. But don’t forget the contributions we can make to health-care policy at a local, state, and national level. Our patients don’t always vote, but we can vote for them and work with them to help ensure a brighter future for health care in the United States.

REFERENCES

TIPS & TECHNIQUES
Tibial Nails for Femoral Shaft Fractures in Adolescents

FEATURE ARTICLES
Degenerative Spondyloarthropathy of the Cervical Lumbar Spine in Jockeys
The Incidence of Proximal Femoral Fractures
Preoperative Duplex Ultrasonography Evaluation for Deep Vein Thrombosis in Revision Hip Arthroplasty Patients
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Culture Results and Amputation Rates in High Pressure Paint Gun Injuries of the Hand

SPORTS MEDICINE UPDATE
Quadriceps Mechanism Disruption

CASE REPORTS
Myositis Ossificans and Hip Ankylosis Secondary to a Muscle Strain Injury
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