

Medicaid: No longer the welfare medicine afterthought

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July 30, 2015 marks the 50th Anniversary of Medicaid. Signed into law by President Lyndon B. Johnson, the program transformed the lives of millions of Americans who previously were unable to afford healthcare coverage. In the not-too-distant future, Medicaid will cover more than 25 percent of the population and 40 percent of all children.

To commemorate its 50-year milestone, Michael S. Sparer, PhD, JD, professor and chair of Health Policy and Management at Columbia University's Mailman School of Public Health, documents Medicaid's accomplishments and challenges in a paper published in the journal *Health Affairs*. He also calls attention to its <u>pivotal role</u> in the transformation underway in the U.S. healthcare system.

Key trends that mark the program's remarkable growth:

- Medicaid has become not simply the best coverage option for the poor, the aged, and the disabled but also increasingly the insurer of choice for middle-class workers and their families.
- Healthcare in 2015 is focusing more on care management and population health, experimenting with new ways to reimburse providers, and seeking to make use of new health information technologies and so-called Big Data. Medicaid is using its buying power and influence to help shape these trends.



"Medicaid is an important player because of its size and spending, and its innovative efforts to finance system redesign initiatives," noted Dr. Sparer.

He also points out that low rates, combined with the welfare legacy, contribute to the ongoing stigma that is still attached to Medicaid and, in turn, is a factor in the large numbers of people who are eligible for coverage but are not enrolled. At the same time, conservative politicians remain opposed and most office-based physicians are reluctant to participate.

"Even with its challenges, as the nation's largest health care purchaser approaches middle age, Medicaid will increasingly exercise its buying power and continue to grow over the next 50 years, in ways hard to imagine today."

Provided by Columbia University's Mailman School of Public Health

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