

# **Opinion: What happens when the federal government eliminates health coverage?**

## **Lessons from the past**

June 26 2017, by Simon Haeder

---



Grandmother and sick baby of a migratory family in Arizona. These types of families were targeted for help by the Farm Security Administration. Credit: NARA/ Dorothea Lange

After much secrecy and no public deliberation, Senate Republicans finalized release their "draft" repeal and replace bill for the Affordable Care Act on June 22. Unquestionably, the released "draft" will not be the final version.

Amendments and a potential, albeit not necessary, conference committee are likely to make some adjustments. However, both the House version – American Health Care Act (AHCA) – and the Senate's Better Care Reconciliation Act (BCRA) will significantly reduce coverage for millions of Americans and reshape insurance for virtually everyone. The Congressional Budget Office (CBO) is expected to provide final numbers early the week of June 26.

If successful, the repeal and replacement of the Affordable Care Act would be in rare company. Even though the U.S. has been [slower than any other Western country to develop a safety net](#), the U.S. has rarely taken back benefits once they have been bestowed on its citizenry. Indeed, only a small number of significant cases come to mind.

My academic work has analyzed the [evolution of the American health care system](#) including those rare instances. I believe historical precedents can provide insights for the current debate.

## **Providing help to mothers and infants**

The first major federal grant program for [health](#) purposes was also the

first one to quickly be eliminated. The program was authorized under the [Sheppard-Towner Maternity and Infancy Protection Act](#) of 1921. It provided the equivalent of US\$20 million a year in today's dollars to states in order to pay for the needs of women and young children.

Sheppard-Towner, which provided funding to improve [health care](#) services for mothers and infants, was enacted after a [long debate in Congress](#) amid accusations of socialism and promiscuity. Interestingly enough, the act may have passed only due to [pressure from newly voting-eligible women](#).

Overall, the [program was responsible](#) for more than 3 million home visits, close to 200,000 child health conferences and more than 22 million pieces of health education literature distributed. It [also helped](#) to establish 3,000 permanent health clinics serving 700,000 expectant mothers and more than 4 million babies.

The [program continued until 1929](#), when Congress, under pressure from the American Medical Association, the Catholic Church and the Daughters of the American Revolution, terminated the program. Without federal support, a majority of states either eliminated the programs or only provided nominal funding. Fortunately for America's children and mothers, the [Social Security Amendment of 1935](#) [reestablished](#) much of the original funding and expanded it over time.

## Helping America's farmers during the New Deal

America's next major program confronted a similar fate. To address the challenges of rural America during the Great Depression, the federal government developed a variety of insurance and health care programs that offered extensive and comprehensive services to millions of farm workers, migrants and farmers.

Some of these programs provided subsidies to farmers to form more than 1,200 insurance cooperatives nationwide. At times, [the federal government's Farm Security Administration \(FSA\)](#) provided extensive services directly to migrant farm workers through medical assistance on agricultural trains, mobile and roving clinics, migratory labor camps that included health centers staffed with qualified providers, full-service hospitals and Agricultural Workers Health Associations ([AWHA](#)).

In all cases, services were generally comprehensive and included ordinary medical care, emergency surgery and hospitalization, maternal and infant care, prescription drugs and dental care.

Although these services were accepted during wartime, the American Medical Association and the Farm Bureau opposed them, which ultimately led to their demise shortly after World War II. Millions of farmers lost their insurance.

## Medicaid in the 1980s

Perhaps the most indicative expectations on what will happen in case congressional Republicans are able to pass their proposal hails from the Medicaid program itself.

In the early 1980s, [Medicaid underwent a series of cuts and reductions](#) leading to the first contracting in the program's history. These involved both a reduction in federal funding and in eligibility, and an increase in state flexibility to run the program, as do the Republican proposals in Congress.

The cuts pale in comparison to those currently proposed by both the Senate and House. Nonetheless, the results was the [first slowing of the Medicaid growth rate](#). However, this came at a steep cost for many Americans in the form of a [significant reduction in enrollment, benefits](#)

[and access even during a recessionary period.](#)

## Protecting America's seniors

The 1980s also saw the creation and quick demise of another [health care program](#). The [Medicare Catastrophic Coverage Act of 1988](#) sought to fill in the gaps of the original Medicare program for America's seniors. Specifically, it sought to provide them with protection from major medical costs and offer them a prescription drug benefit for the first time.

Similarly to the Affordable Care Act, the law had a [redistributive foundation](#) by requiring richer seniors to contribute more than poorer individuals. Also, similarly to the Affordable Care Act, it phased in benefits over a period of time.

Congress, confronted by affluent seniors who would have shouldered much of the financial burden of the program, quickly repealed much of the law before its provisions came into effect.

It took more than a decade to provide America's seniors with a prescription drug benefit through Medicare Part D, while only limited steps have been taken to protect seniors from major medical losses.

## A serious setback looming?

While a latecomer, the United States has [inched closer](#) to the development of a comprehensive welfare state when it comes to health care. While the development has been incomplete, health benefits, once granted, [have rarely been revoked except in those few cases described above.](#)

The [consequences of those rare cases are nonetheless instructive](#). States were unable to continue the program without federal support or offer a valid replacement. Indeed, the programs quickly faded away. With them, millions of Americans lost access to health care.

In all three previous cases, the [federal government eventually renewed its financial support](#). However, at times it took time for a replacement program to emerge.

The current changes proposed by congressional Republicans, particularly to the Medicaid program, are tremendously more consequential than anything we have previously experienced.

Indeed, in scale and extent, the proposed changes are unprecedented and would significantly roll back, likely for the foreseeable future, America's safety net.

This article was originally published on [The Conversation](#). Read the [original article](#).

Provided by The Conversation

Citation: Opinion: What happens when the federal government eliminates health coverage? Lessons from the past (2017, June 26) retrieved 13 March 2024 from <https://medicalxpress.com/news/2017-06-opinion-federal-health-coverage-lessons.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--