

MEDICAID AT 40

There was a time in America when the government had almost no role in providing health care. The sick and needy bartered, borrowed or begged to see a doctor, or went without.

PHIL LEE: The principle problem was medical care costs. Not that people couldn't get good care. But it was that they could not afford it.

Interest in national health insurance—insurance for *every* American—came and went in Washington. The debate became more serious in 1945 when Harry Truman became the first president to send a proposal to Congress.

CONGRESSMAN DINGELL: You had millions of Americans without any health care, just as you do today. And the end result was that people died when they didn't need to. Harry Truman was very much troubled during World War Two when he found that there was no health care and as a result young men were coming into the Army with...with...with a lack in terms of their health, simply because there was no way of providing it.

Truman's proposal failed because of opposition spearheaded by the American Medical Association to "socialized medicine"

But in 1964—the idea of protecting all of the *elderly* with government-supported health insurance gained momentum. A limited program had been in effect for a few years; Kerr-Mills provided federal grants to states for medically *indigent* seniors.

Events converged to make a much broader program possible; Americans wanted to honor John Kennedy by enacting programs the slain president had supported;

in the '64 elections Democrats seized control of Congress by a two to one margin over Republicans; and the needs of the elderly were escalating.

JIM JONES/When I came to the White House, which was a month after his full term inauguration, the push was on. That 'times a wastin', what have you done about this, what have you done about that.' And Lyndon Johnson was always racing against time.

President Johnson's focus was *only* on the elderly, the Administration had no thought about creating a program for the poor. *Medicaid* virtually flew under the radar and the pilot was Wilbur Mills of Arkansas, the powerful chairman of the House Ways and Means Committee.

Bob Ball was there with another Administration official, Wilbur Cohen, when Mills dropped his bombshell.

ROBERT BALL: On one afternoon in this committee, in private session, but Wilbur and I were there, Mills said, 'well why don't we do this, like he just thought of it....Well, Wilbur and I were more or less opened-mouthed.

LISBETH SCHORR: Those came in very quickly. The Medicare legislation had five years of work where it progressed from one stage to another. The Medicaid legislation was, at least to me, a complete surprise.

Mills had made a political calculation that *Medicaid* would placate the influential American Medical Association, which had launched a vigorous campaign against *Medicare*. The A-M-A had long viewed Medicare—or any kind of broad-based national health insurance—as socialized medicine.

DR. EDWARD ANNIS: The A-M-A had always supported the Medicaid approach to take care of people who needed it. So, yes, that was part of the A-M-A

program, but it was one—Wilbur was trying to satisfy; he was trying to do the best he could.

Mills even surprised the White House with his Medicaid proposal. But President Johnson was receptive. Medicaid furthered his war on poverty and it happened at a moment when it was politically possible to get it all.

JIM JONES: From the politics of it, they helped each other because there's not a strong constituency among really poor people who needed Medicaid because the voting levels are pretty low. And there was a strong constituency among the high-voting levels of senior citizens. So, Lyndon Johnson always liked to put these things together to strengthen whatever the proposal was.

Medicaid would make federal funds available to states for at least half the cost of providing health care and it would be linked to welfare which—in the mid-60's—had ten million people on the rolls. Jim Mongan was, then, a Public Health Service doctor in the West.

JIM MONGAN: There were a lot of elderly people, and low income people in the case of the Medicaid program, who were clearly, in many instances, receiving services for the first time and many of whom had not had the surgical procedures they had been delaying or had not had access to other kinds of care. So, that you could tell that this program was making a difference in people's lives.

Including the lives of African Americans. Four out of ten lived in poverty at the time.

DOROTHY HEIGHT: The combination of Medicare, Medicaid and civil rights legislation changed the health care landscape forever, for black Americans—and for all Americans—not just for those who were 65 and above.

Within months of Medicaid's enactment the seeds of the argument being heard today were sown. The New York Times reported that some Congressmen were complaining it had the potential of "becoming a sort of blank check medical welfare arrangement."

Despite those emerging concerns, Medicaid has evolved and expanded over the years. In 1984, the link between Medicaid and welfare began to loosen. For the first time, states were *required* to cover some pregnant women and very young children from low-income families.

CONGRESSMAN WAXMAN: There are 25 million low-income children in the program now, they have eligibility for screening and diagnosis for their healthcare status. And it's been an enormous benefit for these kids to have a healthy start, to have a real chance to live out their lives and realize their potential as human beings.

Medicaid also provided essential support during the unanticipated; the AIDS epidemic.

CONGRESSMAN WAXMAN: To get on Medicare as a disabled person, you have to wait at least two years. But, Medicaid stepped in and picked up the hospital care for AIDS patients and the prescription drug cost, which of course is the most important part for people with HIV and AIDS.

Today, Medicaid is under more cost pressure than ever; with President Bush and the governors engaged in a fiscal tug of war over how much to spend and who should pay. The program costs more than 300-billion dollars and covers 52 million people, including 13 million disabled and elderly. Many live in nursing facilities or receive community-based long-term care services. As baby boomers age and *need* long-term care, costs will climb.

TOMMY THOMPSON: You can't continue on with Medicaid the way it is. I would like to put a bigger burden on the federal government for providing for long-term care. But, I'd also put in incentives for keeping people in their homes longer instead of going to institutions.

Despite the challenges to sustain the program no one disagrees that Medicaid has improved the lives of millions; that it helped create a health care system that might not otherwise exist.

CONGRESSMAN WAXMAN: Medicaid has served a very essential role as a safety net and as—not just to keep people from falling to the bottom in our society, but to give people a chance to move up by getting health care they need, when they need it, so they can become productive members of our society.

JIM MONGAN: If there wasn't a Medicaid, I can't conceive of there being a nursing home industry. Sure, you would have the high-end assisted living facilities for the wealthy, but you'd decimate the rest of long-term care. Children's hospitals, I believe it's like 40% of their revenue coming from Medicaid; key institutions in every major city in America would be in terrible shape.

In 1965—at the creation—President Johnson spoke about a nation that is *not indifferent to despair*. Congressman John Dingell believes those words, that promise—have been met.

CONGRESSMAN DINGELL: This was an attempt to see to it that we address serious problems. You best judge a society by the way it treats its young, its old, the sick, the unfortunate, those who have the least.

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