

## Procedure/Lecture Outline

- 1) Guide students through the Power Point presentation (link)
  - a. Supplementary and Transitional Insurance
    - i. The federal Government has established two programs for people who are between jobs, lose a job, lose insurance due to death, or lose insurance because of a divorce
      1. Consolidated Omnibus Budget Reduction Act
        - a. (COBRA)
      2. Health Insurance Portability and Accountability Act
        - a. (HIPAA)
  - b. COBRA
    - i. Gives employees the right to continue their group coverage at their own expense for 18-26 months
    - ii. You can qualify if...
      1. If you leave your job or are terminated
      2. If you are divorced from the covered employee
      3. If your work hours are reduced below minimum requirements
      4. If you are eligible for Medicare
      5. If you become disabled
      6. If the covered employee dies
    - iii. You must pay your share and the employer's share of the premiums plus an administrative fee
    - iv. If your former employer goes out of business your plan can be terminated
    - v. COBRA can be very complicated so you have to keep up to date with the rules and regulations
  - c. HIPAA
    - i. The "portability" law
    - ii. Protects health insurance coverage for workers and their families when they change or lose their jobs
    - iii. Unlike COBRA, you do not take your previous health insurance policy with you
    - iv. Your eligibility of insurability transfers
  - d. Government-provided health insurance
    - i. A healthy population is a benefit to society
    - ii. The government provides health insurance for citizens it deems most in need
    - iii. "Entitlement Programs"
      1. Medicaid
      2. Medicare
    - iv. Medicaid
      1. Became law in 1963 under the Social Security Act
      2. Provides medical assistance for eligible individuals and families with low incomes and resources
      3. Varies widely from state to state because each state establishes their own guidelines
    - v. Medicare
      1. The nation's largest health insurance program
      2. Covers 39 million Americans
      3. The largest group covered by Medicare is people over the age 65

## Procedure/Lecture Outline (Page 2)

- 4. Two types of Plans
  - a. Type A:
    - i. Covers a percentage of hospital bills
    - ii. Free to anyone who has worked 10 years in Medicare-covered employment
  - b. Type B:
    - i. Covers non-hospital expenses
    - ii. Charges a small monthly premium
  - c. You must pay a deductible and a co-payment for each
  - d. Also provides care for people with disabilities
- e. Healthcare problems in the United States
  - i. The United States provides the highest quality health care in the world
  - ii. Despite breakthroughs in medicine, the healthcare system continues to be a source of great frustration
    - 1. Rising healthcare costs
    - 2. Large number of uninsured people
    - 3. Uneven quality of medical care
    - 4. Considerable waste and inefficiency
  - iii. Rising Healthcare Costs
    - 1. Factors accounting for the increase
      - a. Rising hospital costs
        - i. Due to expensive technology, high labor costs due to shortage of nurses and consolidation of hospitals
      - b. Rising prescription drug costs
      - c. New technology
      - d. Physician cost trends
        - i. Due to increased use of specialists
    - e. Cost shifting by Medicare and Medicaid
      - i. Private patients have to pay more to cover costs of other patients that these programs do not cover
    - f. State mandated benefits
      - i. States mandate that insurers must provide certain benefit
    - g. Higher administrative costs
      - i. Includes customer service, information technology, and medical management costs
    - h. Uninsured patients, healthcare fraud and abuse of the system

## Procedure/Lecture Outline (Page 3)

- iv. Large Number of Uninsured Persons
  - 1. An estimated 15 percent of the population does not have health insurance
- v. Uneven Quality of Medical Care
  - 1. Medical care varies widely depending on the physician, geographic location, and the type of disease being treated
- vi. Waste and Inefficiency
  - 1. The administrative costs of delivering health insurance benefits are excessively high
    - a. Large amounts of paperwork
    - b. Claims forms are not uniform
    - c. Defensive medicine by physicians results in unnecessary tests and procedures