**Medical Care Programs**

The extent to which medical care is offered as a government service varies. Germany, Great Britain, and other countries have programs of cradle-to-grave health service. In the United States there was no general government-supported health plan until the passage of Medicare and Medicaid in 1965 as amendments to the Social Security Act. (The exception was the medical service offered through Veterans Administration hospitals.) Medicare, however, is not a general health plan available to the whole population. Its benefits are for retired persons who have been part of the social security system. And Medicare does not cover the whole cost of hospitalization or other services. Therefore, most retirees also carry supplemental insurance (*see* Health Insurance).

Medicaid is a federal program operated through the states for low-income individuals. Grants are made to the states, and the amounts vary, depending on the per capita income within each state. The balance of funding is paid by state and local governments.

Medical care, regardless of the extent of coverage, may be handled in three ways. The direct-service approach is used in a few nations. The state owns virtually all medical facilities and employs all physicians. Patients pay no fees other than insurance payments. In other systems the patient pays the bill and is reimbursed by the government. Reimbursement may be for all or most of the bill.

In a third system the state makes payment directly to the suppliers of medical care, but it does not own or operate the facilities. The patients make no payment at all. This is the system used in Great Britain and Japan, among others.

Patient-physician relations vary, depending on the nature of national policy. At one extreme is the private medical practice in which patients choose their own physicians and specialists and pay them directly. Patients are later reimbursed by government or private insurance programs. At the other extreme is a system in which physicians are government employees, and there is little choice left to patients about the quality or extent of care offered. In Great Britain each patient is attached to a physician who receives a basic payment for each listed patient. Access to specialists is only through a general practitioner. Patients may change physicians, however, at stipulated intervals.

In the case-payment method a physician is paid according to the number of patients seen within a given period of time. Under the fee-for-service method the patient has freedom of choice among physicians and specialists, but the patient is not involved in the payment process. Physicians and hospitals are paid directly by the government. This method has the advantage of paying only for services actually performed. The reimbursement method is similar to the fee-for-service method, but the patient must first pay for services rendered.[[1]](#footnote-1)

1. Excerpted from *Compton’s Interactive Encyclopedia*. Copyright © 1994, 1995 Compton’s NewMedia, Inc. [↑](#footnote-ref-1)