

Transition Truths: Healthcare

The healthcare system works to maintain the health and well-being of the American people.

How this System Works

This system consists of the people, places, policies, and programs that work together to ensure access to medical and health supports. These supports empower people to pursue their employment and life goals as well as live independently in their communities.

Health insurance is a major part of this system, and it helps to cover the majority of healthcare costs. These costs can be very expensive, but people with health insurance usually only pay a small part of them. Employers usually offer health insurance to employees and their families, including spouses and children. The government funds other health insurance programs for Americans who are not covered by employers and those with low income as described below.

People and Places

The people in this system include patients, clients, beneficiaries, insurance providers, nurses, doctors, pharmacists, personal assistants, home health aides, and policymakers who make rules about health insurance. Places include doctor's offices, hospitals, clinics, pharmacies, insurance agencies, and government agencies that determine how healthcare is delivered. At the federal level, the U.S. Department of Health and Human Services provides health and human services and promotes advances in medicine, public health, and social services that protect the health and well-being of everyone.

Policies and Programs

[Medicare](#) (Title XVIII of the Social Security Act) is a social insurance program administered by the government since 1966, and it provides health insurance for Americans ages 65 and older and younger people with disabilities. Medicare pays for approximately 48% of costs, while the person on Medicare pays the remaining 52%. Before Medicare was created, people either did not have health insurance, or they had to pay up to three times more because insurance companies charged people more due to the companies' higher costs.

[Medicaid](#) (Title XIX of the Social Security Act) and [State Children's Health Insurance Program \(SCHIP\)](#) (Title XXI of the Social Security Act) are important health insurance programs that cover around 60 million Americans. This includes children, parents, pregnant women, older Americans, and people with disabilities. Medicaid is a social healthcare program for low income people co-funded by the federal government and states. The federal government lays out [broad guidelines for](#)

[services](#) that Medicaid programs must cover, but states have flexibility to input additional services in their programs. SCHIP is a program created in 1997 designed to cover uninsured children and pregnant women in families whose income is too high to qualify for Medicaid.

The [Affordable Care Act of 2010 \(ACA\)](#) expands who gets health insurance, improving the quality of care delivery and reducing the cost of care. It also establishes rules for healthcare services that all insurers must provide and extends eligibility as described below.

For people with disabilities receiving Medicaid, the [Ticket to Work and Work Incentives Improvement Act of 1999 \(TWWIA\)](#) offers several healthcare related benefits. First, the [Medicaid Buy-In Program](#), an optional state-based program in nearly 40 states, allows workers with disabilities who earn too much income to qualify for traditional Medicaid to get Medicaid health insurance. Having this option means they do not have to choose between work and healthcare. In addition, TWWIA authorizes a [range of employment services and personal assistance services](#) that Medicaid funding can cover. For example, funding can be used to provide personal assistance services, which allow a person or group of people to help an individual with a disability perform daily activities on and off the job. For more information on TWWIA and other employment programs, see the Social Security system outline of this guide.

Eligibility

People with disabilities and people aged 65 or older are eligible for Medicare.

Medicaid recipients are families and individuals with low income who meet other rules, including those described above. In most states, receiving monetary benefits through Supplemental Security Income, discussed in the section of this tool on the Social Security system, automatically qualifies you for Medicaid.

The Affordable Care Act extends eligibility to people with pre-existing conditions so insurance companies can no longer deny coverage. It also expands the eligibility for Medicaid to include individuals who would not have previously qualified, but who may still need it because other kinds of insurance are out of their price range. This includes people whose incomes are at or below 133% of the federal poverty level.