

PBS Health Care Time Line

1900's

American Medical Association (AMA) becomes a powerful national force.

In 1901, AMA reorganizes as the national organization of state and local associations.

Membership increases from about 8,000 physicians in 1900 to 70,000 in 1910 -- half the physicians in the country. This period is the beginning of "organized medicine."

Surgery is now common, especially for removing tumors, infected tonsils, appendectomies, and gynecological operations.

Doctors are no longer expected to provide free services to all hospital patients.

America lags behind European countries in finding value in insuring against the costs of sickness.

Railroads are the leading industry to develop extensive employee medical Programs

1910's

American hospitals are now modern scientific institutions, valuing antiseptics and cleanliness, and using medications for the relief of pain.

American Association for Labor Legislation (AALL) organizes first national conference on "social insurance".

Progressive reformers argue for health insurance, seems to be gaining support.

Opposition from physicians and other interest groups, and the entry of the US into the war in 1917 undermine reform effort.

1920's

Consistent with the general mood of political complacency, there is no strong effort to change health insurance.

Reformers now emphasize the cost of medical care instead of wages lost to sickness - the relatively higher cost of medical care is a new and dramatic development, especially for the middle class.

Growing cultural influence of the medical profession - physicians' incomes are higher and prestige is established.

Rural health facilities are clearly inadequate.

General Motors signs a contract with Metropolitan Life to insure 180,000 workers.

Penicillin is discovered, but it will be twenty years before it is used to combat infection and disease.

1930's

The Depression changes priorities, with greater emphasis on unemployment insurance and "old age" benefits.

Social Security Act is passed, omitting health insurance.

Push for health insurance within the Roosevelt Administration, but politics begins to be influenced by internal government conflicts over priorities.

Against the advice of insurance professionals, Blue Cross begins offering private coverage for hospital care in dozens of states.

1940's

Penicillin comes into use.

Prepaid group healthcare begins, seen as radical.

During the 2nd World War, wage and price controls are placed on American employers. To compete for workers, companies begin to offer health benefits, giving rise to the employer-based system in place today.

President Roosevelt asks Congress for "economic bill of rights," including right to adequate medical care.

President Truman offers national health program plan, proposing a single system that would include all of American society.

Truman's plan is denounced by the American Medical Association (AMA), and is called a Communist plot by a House subcommittee.

1950's

At the start of the decade, national health care expenditures are 4.5 percent of the Gross National Product.

Attention turns to Korea and away from health reform; America will have a system of private insurance for those who can afford it and welfare services for the poor.

Federal responsibility for the sick poor is firmly established.

Many legislative proposals are made for different approaches to hospital insurance, but none succeed.

Many more medications are available now to treat a range of diseases, including infections, glaucoma, and arthritis, and new vaccines become available that prevent dreaded childhood diseases, including polio. The first successful organ transplant is performed.

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1960's

In the 1950s, the price of hospital care doubled. Now in the early 1960s, those outside the workplace, especially the elderly, have difficulty affording insurance.

Over 700 insurance companies selling health insurance.

Concern about a "doctor shortage" and the need for more "health manpower" leads to federal measures to expand education in the health professions.

Major medical insurance endorses high-cost medicine.

President Lyndon Johnson signs Medicare and Medicaid into law.

"Compulsory Health Insurance" advocates are no longer optimistic'.

The number of doctors reporting themselves as full-time specialists grows from 55% in 1960 to 69%.

1970's

President Richard Nixon renames prepaid group health care plans as health maintenance organizations (HMOs), with legislation that provides federal endorsement, certification, and assistance.

Healthcare costs are escalating rapidly, partially due to unexpectedly high Medicare expenditures, rapid inflation in the economy, expansion of hospital expenses and profits, and changes in medical care including greater use of technology, medications, and conservative approaches to treatment. American medicine is now seen as in crisis.

President Nixon's plan for national health insurance rejected by liberals & labor unions, but his "War on Cancer" centralizes research at the NIH.

The number of women entering the medical profession rises dramatically. In 1970, 9% of medical students are women; by the end of the decade, the proportion exceeds 25%.

World Health Organization declares smallpox eradicated.

1980's

Corporations begin to integrate the hospital system (previously a decentralized structure), enter many other healthcare-related businesses, and consolidate control. Overall, there is a shift toward privatization and corporatization of healthcare.

Under President Reagan, Medicare shifts to payment by diagnosis (DRG) instead of by treatment. Private plans quickly follow suit.

Growing complaints by insurance companies that the traditional fee-for-service method of payment to doctors is being exploited.

"Capitation" payments to doctors become more common

(Payments made on a monthly basis by users of the medical services of Health Maintenance Organizations (Hmos). After this payment is calculated for a future period of time, usually one year, the payment will remain fixed for that period, regardless of the frequency of use of the HMO's services.)

1990's

Health care costs rise at double the rate of inflation.

Expansion of managed care helps to moderate increases in health care costs.

Federal health care reform legislation fails again to pass in the U.S. Congress.

By the end of the decade there are 44 million Americans, 16 % of the nation, with no health insurance at all.

Human Genome Project to identify all of the more than 100,000 genes in human DNA gets underway.

By June 1990, 139,765 people in the United States have HIV/AIDS, with a 60 percent mortality rate.

2000's

Health care costs are on the rise again.

Medicare is viewed by some as unsustainable under the present structure and must be "rescued".

Changing demographics of the workplace lead many to believe the employer-based system of insurance can't last.

Human Genome Project to identify all of the more than 100,000 genes in human DNA is expected to be completed a full two years ahead of schedule, in 2003.

Direct-to-consumer advertising for pharmaceuticals and medical devices is on the rise.