Health Insurance

Health insurance, like other forms insurance, is a form of collectivism by mea of which people collectively pool their risk this case the risk of incurring medi expenses. The collective is usually publi owned or else is organized on a non-pr basis for the members of the pool, though some countries health insurance pools m also be managed by for-profit companies. sometimes used more broadly to inclu insurance covering disability or long-te nursing or custodial care needs. It may provided universally through government a feature of social solidarity, as is typical many industrial countries, or as form government charity such as the United Sta Medicaid program. It may be purchas privately on a group basis (e.g., by a firm cover its employees) or purchased by individual for himself or his family. In ea case, the covered groups or individuals pa fee, premium, or tax, to help prot themselves from health care expenses.

By estimating the overall risk of health ca expenses, a routine finance structure (su as a monthly premium or payroll tax) can developed, ensuring that money is availa to pay for the health care benefits specifie the insurance agreement. The benefit administered by a central organization su as a government agency, private business, not-for-profit entity.

History of Health Insurance

The concept of health insurance was proposed in 1694 by Hugh the Elder Chamberlen from the Peter Chamberlen family. In the late 19th century, "accident insurance" began to be available, which operated much like modern disability insurance. This payment model continued until the start of the 20th century in some jurisdictions (like California), where all laws regulating health insurance actually referred to disability insurance.

Accident insurance was first offered in the United States by the Franklin Health Assurance Company of Massachusetts. This firm, founded in 1850, offered insurance against injuries arising from railroad and steamboat accidents. Sixty organizations were offering accident insurance in the U.S. by 1866, but the industry consolidated rapidly soon thereafter. While there were earlier experiments, the origins of sickness coverage in the U.S. effectively date from 1890. The first employer-sponsored group disability policy was issued in 1911.

Before the development of medical expense insurance, patients were expected to pay health care costs out of their own pockets, under what is known as the fee-for-service business model. During the middle to late 20th century, traditional disability insurance evolved into modern health insurance programs. Today, most comprehensive private health insurance programs cover the cost of routine, preventive, and emergency health care procedures, and most prescription drugs, but this is not always the case.

Hospital and medical expense policies were introduced during the first half of the 20th century. During the 1920s, individual hospitals began offering services to individuals on a pre-paid basis, eventually leading to the development of Blue Cross organizations. The predecessors of today's Health Maintenance Organizations (HMOs) originated beginning in 1929, through the 1930s and on during World War II.

Source: Wikipedia : "**Health Insurance**"