

Free critical thinking on policy-making in the federal system

[Economics](#), [Insurance](#)



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Thesis

This is a study of Patient Protection and Affordable Care Act (PPACA) also known as Obamacare, under the U. S Health Care Act.

Introduction

The Patient Protection and Affordable Act (PPACA) commonly known as the Obamacare or the Affordable Care Act (ACA) is an American government program that was signed into law by the United States president Barack Obama on March 23, 2010. It is a representation of the US government health care system and its significance in the regulatory overhaul and expansion since the passage of Medicaid and Medicare in 1965 (Barker, 2010, p. 65). The goal of Obamacare is to reduce growth in healthcare expenditure and to provide affordable health insurance for all citizens in the

United States. It also provides several mechanisms such as subsidies, tax credits and mandates to individuals and employees to increase health insurance and coverage affordability. Obamacare provisions are majorly funded by a variety of offsets and taxes.

Though seen as an effective program in the region, it has subsequently raised federalism issues and taken a political beating. It has in some way been found unconstitutional from the fact that the government tells citizens to have healthcare. Alongside that, it also requires citizens to purchase healthcare from private groups and retain it for all their lives or else be mandated to pay annual penalties. Most citizens find it unconstitutional since it forces them to buy insurance in order to cover their health needs. The Patient and Affordable Care Act better known as Obamacare is therefore an extremely convoluted act of the congress. During debates over reforms in health care, changes in Medicare arise and become the major point of disputation. It is indeed the most comprehensive federal level health insurance reform in the country (You, 2013, p. 2).

Pros

- Approximately 32 million Americans without health insurance will have access to the coverage they need.
- Patients with pre-existing conditions will not deny their desired coverage by insurance companies
- The federal government will pay the states to allow low income earners to enroll in Medicaid
- Every year, \$125 million will go towards funding programs and school-

based health centers to trim down teen pregnancy.

- Bankruptcies caused by issues in health will be severely reduced.

Cons

- Federal government intrusion into medical practice

- Medicare cuts by \$528 billion dollars

- The act violates the rights of the state by forcing it to accept health insurance that is federally-mandated

- Close to 4.8 million seniors will definitely be forced out of Medicare Advantage by 2019

- Taxes particularly for high-income earners will be increased (Burger, 2013, p. 114).

Evaluation of Pros

Arguably, the state's economic competitors around the world are working hard to achieve tremendous efficiencies. Currently, the United States has created the world's most inefficient system that costs almost twice as much as other systems. This project has moved the nation a giant step closer in articulating its objectives in a forceful way. The health insurance reform registration in America expands health insurance in the private sector and is based on increasing competition and choice among various private insurance plans. In a big way, reform registration builds on the existing nation's private health insurance systems.

The Congress power to spend and tax money for the universal welfare given by the constitution upholds the general welfare as it makes health care more affordable and available. Many popular and important programs provided by

the government are entirely based on the ability of Congress to provide incentives through reallocation of tax revenues and taxation for public purposes. Individual mandate opponents insist on only defending individual freedom but are essentially taking an extremely radical position claiming that it is indeed unconstitutional to force Americans pay taxes. It is estimated that provisions that are combined in the new law will seemingly lower premiums by almost \$2, 000 per family. As the economy grows, premiums are expected to increase from \$13, 306 in 2012 to almost \$21, 458 in 2019. As a result of lowering taxes and adding reductions in out-of-pocket costs, Medicaid and Medicare will taxes will be lowered and result in a \$2, 500 savings for the typical family. Additionally, the health reform legislation that was signed into law by President Obama has in history the biggest health care tax cut for middle class families and this makes insurance more affordable for many families (Tate, 2013, p. 92).

Evaluation of Cons

Research done by experts' shows that more than 87 million Americans under the new law may lose access to their current health care plan. The majority of workers in the nation including those with businesses would lose their present coverage, this is clear evidence that Obamacare is doing the exact opposite of what the Democrats promised to do. If the plans set by the Democrats become law, less than 700, 000 physicians would be available to treat a growing population and the results of the happening will be longer wait times to book an appointment or see a doctor. New government reports have confirmed that Americans will face higher premiums as a result of the

health care reforms making drug and device prices higher (Winn, 2013, p. 65).

The senate bill is found to impose penalties and job-killing mandates on businesses thereby increasing taxes and burdens particularly on small businesses. The bill passed by the senate will cause Americans to suffer due to the hidden tax that will result in inflation. To add on to that, this bill would also impose 3.8% new Medicare tax on non-wage income targeting high income earners, dividend, income from interest as well as profits from partnerships and S-corporations investments. When this proposed tax is passed into law, various taxpayers will definitely expect a marginal tax rate on qualified dividends and capital gains of 23.9 percent (Haines, 2013, p. 64).

Obamacare Effectiveness

Effectiveness is the degree to which set objectives are attained and the level to which aimed problems are solved. In this context, Obamacare can be measured by evaluating its set and proposed projects while determining its outcome to the Americans. For instance, if citizens are found to benefit from the policy, it is then a good indication of its effectiveness. Obamacare is not in consistence with the constitutional framework of federalism because it appears in a way to infringe the law that spells out the federal decree.

In conclusion, I posit that Obamacare is a law containing additional reforms aimed at improving the results while streamlining delivery of healthcare in the United States. It is viewed as both an effective and as an infringing reform by various parties in the nation.

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