

# Affordable care act (aca) paper



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### Abstract

This paper discusses some selected five major provisions of the Affordable Care Act (ACA) that are most important since the health reform. It will expatiate further on why these provisions are considered very important and how they have made the Affordable Care Act successful since its signing to law.

### The Affordable Care Act

The Patient Protection and Affordable Care Act (PPACA) also known as the Affordable Care Act (ACA) or Obamacare is a health reform legislation with a long list of provisions that began taking effect after it was passed by the 111<sup>th</sup> Congress and signed into law by President Barack Obama in March of 2010.

Only the provisions will determine whether this health reform will be successful which is why it was essential that these provisions accommodate key areas that are the root cause to why many millions of Americans were without health insurance. The provisions were meant to tackle increasing healthcare costs, provide subsidies, insurance coverage denial due to certain factors like gender and preexisting conditions.

### Provisions

Insurance companies cannot deny coverage based on preexisting conditions and can only vary rates based on rating area, family size, tobacco use, and age (but not on health status, previous claims history, or gender)

This provision prevents health insurers from denying health insurance coverage to anyone for reasons such as preexisting health conditions or charging high premiums because of these conditions. Preexisting conditions such as diabetes, cancer will not be a cause for denials as the conditions can be very expensive if being paid for from out of pocket.

It also prevents denial due to gender or past health insurance claims. This provision allows people who were unable to get insurance in the past to be immediately eligible for health coverage and means that health insurance premiums will not be higher if one is a woman.

Young adults are covered by their parent's health insurance until age 26 (dependent coverage provision)

This provision allows young adults to remain on their parent's insurance coverage plan until their 26<sup>th</sup> birthday and all coverage policies must meet this coverage standard for family plans whether it is through the job or purchased in the market place. This provision allows young adults to be covered regardless of their marital status or if they live in a different state other than their parents. The coverage for young adults on family health plans remain the same as it they were young children hence preventing additional cost of coverage.

This provision helps families ensure their children are duly covered while they're in college or beginning a new life after college while trying to figure out life.

Health plans are required to cover certain preventive services with no cost-sharing.

This provision of the Affordable Care Act requires plans to cover preventive care for all beneficiaries on the coverage plans.

Nearly 138 million people with private health coverage and 55 million seniors on Medicare benefit from this provision. About 56 million women are guaranteed free preventive services, including contraception coverage. Since the Affordable Care Act was introduced, women have saved an average of \$255 per year on oral contraceptives alone.

This provision allows beneficiaries to participate in preventative care services without the worry of copays or deductibles. Services such as annual physical, immunizations, sexual healthcare like birth control and other wellness tests will keep Americans healthy and reduce insurance claims long term.

The penalties to employers that do not offer affordable coverage to their employees, with exceptions for small employers.

This provision requires employers with 50 or more full-time employees to offer affordable healthcare coverage to their employees and their dependents till age 26 or face penalties. Penalties for employers who fail to offer coverage to 95% of their full-time employees and their dependents will

pay penalty of \$2, 230 per each full time after the first 30 employees without coverage offer. Employee will also pay penalties for coverages that are not affordable or if their coverage doesn't meet minimum value.

This ACA provision ensures that employers provide minimum medical coverage to full-time employees which in turn reaches more individuals for coverage.

Provides tax credits to individuals or families earning between 100% and 400% of the federal poverty level who purchase their health insurance through the exchanges

This provision provides government tax subsidies to individuals and families who earn less than 400% of the federal poverty level who purchase health insurance through the exchange. The federal poverty level differs by state and household size. This is one of the most controversial ACA provisions as stakeholders may argue that this will cause higher federal taxes, but this provision encourages people who do not have healthcare from their employers to seek health insurance from the marketplace. Premium subsidies will be provided to families without access to other coverage and with incomes 100-400% of the poverty level (\$25, 100 to \$100, 400 for a family of four in 2019) to help them purchase insurance through the Exchanges.

2019 Federal Poverty Levels

Family Size	100%	133%	138%	250%	400%
1	\$12,140	\$16,146	\$16,753	\$30,350	\$48,560
2	\$16,460	\$21,892	\$22,715	\$41,150	\$65,840
3	\$20,780	\$27,637	\$28,676	\$51,950	\$83,120
4	\$25,100	\$33,383	\$34,638	\$62,750	\$100,400
5	\$29,420	\$39,129	\$40,600	\$73,550	\$117,680
6	\$33,470	\$44,515	\$46,189	\$83,675	\$133,880
7	\$38,070	\$50,633	\$52,537	\$95,175	\$152,280
8	\$42,380	\$56,365	\$58,484	\$105,950	\$169,520

Conclusion

It is evident that the amount of uninsured people after the Affordable Care Act have significantly reduced. This is due to through the dependent coverage provision, Medicaid expansion, health insurance exchanges, availability of subsidies, and other policy changes. Even with all these provisions, health insurance affordability is still concern for some people in rural areas, income gap, race and other disparities. It does not go without saying that there have been improvements in access to quality and affordable healthcare across the board with a lot of good testimonies by beneficiaries. Since the passing to law of that Affordable Care Act, millions of Americans are now enrolled in affordable quality health coverage either by employers, government, market place or others, many of whom have never been covered or have been denied coverage in the past. The protection that the Affordable Care Act provides beneficiaries include financial protection from severe illness, disregard for preexisting conditions and sale of standard protection plans by insurers.

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