

# Free affordable healthcare act 2014 essay example

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The Affordable Healthcare Act of 2014 has many economic implications but most significant ones are the negative consequences. The provisions of the act include a mandatory health insurance coverage for the employees that would inhibit the growth and employment rate. Especially for the small businesses, there are very serious issues regarding this law: the healthcare costs are skyrocketing and there is very little choice available among the health plans (Van Tassel, 2013). The healthcare costs have been increasing and it is difficult for these businesses to afford health insurance. But then there is also an exemption for those businesses that have less than 50 employees to this act. In addition, if a business that has less than 25 employee chooses to provide insurance, the Act would offset the cost by giving a tax credit to the company (Pipes, 2010). Then there is another aspect of this coverage also: the act also takes into consideration the coverage offered by the company and analyze whether this coverage is affordable or not. If an employee is required to pay 9.5% of their income for the coverage given by the employer, the coverage is not affordable. Such company would be penalized for not providing affordable coverage to the employees. Secondly, if the healthcare coverage by the employer is not paying for a minimum of 60% of the expenses of healthcare, then the coverage does not fall into the category of affordable coverage. In this latter case, even if the employee's own expense is less than 9.5% of the income, the company shall be penalized if the coverage does not cover at least 60% of the healthcare expenses as the coverage cannot be categorized as affordable (Van Tassel, 2013). On the other hand, the business owners also benefit due to this act. The major benefit is that the business owners can

easily afford the health insurance due to this act while the fact remains that small business owners are mostly uninsured (Pipes, 2010). Further, all these owners would become eligible to save costs on healthcare coverage.

## **References**

Pipes, S. (2010). *The truth about Obama care*. Washington, DC: Regnery Pub.

Van Tassel, K. (2013). Harmonizing the affordable care act with the three main national systems for healthcare quality improvement: the tort, licensure, and hospital peer review hearing systems. *Brooklyn Law Review*, 78 (3).