

# Health policy

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Value Dimensions of the Affordable Care Act President Obama's Affordable Care Act (ACA) enacted in March 2010 will increase health insurance coverage to millions of Americans. This is the first significant reform in health care in over 40 years and targets closing the gap of uninsured Americans by mandating insurance. There has been debate over the individual health insurance mandate and whether it is constitutional. Opinions on the individual mandate and the values it impacts are conflicting among all stakeholders.

This talk will concentrate on the following stakeholder groups: (1) Insurance companies and (2) uninsured individuals who might otherwise choose not to purchase health insurance or do not have the means to do so (Kaiser Family Foundation, 2012). It is no secret that health care has become increasingly unaffordable; cost of medical treatments and insurance premiums keep rising and society feels a moral obligation to insure that its citizens do not suffer from the unavailability of health care. The individual mandate provision has been and will continue to be one of the most controversial elements embodied in the ACA.

This provision requires individuals to maintain minimum essential coverage each month or pay a penalty. This new law allows the American people to choose health insurance plans that work best for them by providing a short, plain language summary of benefits and coverage (SBC) as well as a glossary of commonly used insurance terms to all patients. Coverage includes those who, until now, have continuously been denied because of their existing health conditions Beginning (Blue Cross Blue Shield of Rhode Island, 2010). January 1, 2014, all U. S. residents are required to maintain the

previously mentioned essential coverage unless the individual falls into certain categories including the following: religious conscience exemption, incarcerated individuals, undocumented aliens, when contribution exceeds 8% of household income and individuals with a coverage gap of less than 3 months, individuals in a hardship situation as defined by the Secretary of Department of Health & Human Services, individuals with income below the tax filing threshold, and members of Indian tribes (Blue Cross Blue Shield of Rhode Island, 2010).

The Affordable Care's Act does decrease the number of uninsured compared to if this legislation did not pass. The policy of mandating insurance provides an incentive for individuals to purchase insurance or face paying fines. Tax benefits induce employers to provide coverage to their employees. Employers may even provide more health awareness programs to reduce health costs. Provisions under this legislation also decrease the number of underinsured including the healthy young individuals who might otherwise choose not to purchase health insurance.

The ACA will also eliminate barriers for interstate insurance providers and encourage more competition to provide a low-cost advantage for the uninsured. This may also lead to nonprofit agencies being developed to provide a low cost option for the uninsured. The Individual Mandate and the entire ACA will impact the health of all Americans. The ways the individual mandate may impact consumer access to healthcare, healthcare quality and costs and insurance companies is still debatable depending on which stakeholder group you are aligned with.

The ACA will expand coverage to nearly 95% of consumers that reside in the U. S legally (Kaiser Family Foundation, 2012). Consumers previously not covered under government programs such as Medicaid will be able to receive healthcare benefits through those programs. In addition, preventive care will be free and seniors will have access to cheaper prescription drugs. The ACA also provides incentives to primary care providers to practice in underserved areas which will also expand consumers' access to healthcare.

On the other hand, cuts in Medicare will take place at a time when millions of baby-boomers become eligible for Medicare and some Americans could lose access to their current health care plans as a result. The ACA also establishes several new rules and controls for insurance companies including requiring that they cannot deny coverage for pre-existing conditions, must spend a certain percentage of premiums collected on actual patient care costs.

These new rules provide protection for consumers and ensure insurance companies are held accountable for the care and services provided to patients that are enrolled in their plans (Friedman & Becker, 2012). Another major issue that has raised considerable debate and even led to law suits being filed is the constitutionality of the ACA. Those who oppose healthcare reform argue that it is unconstitutional for Congress to require that every person purchase health insurance. However, the ACA improves access to healthcare which promotes the general welfare of consumers, and thus congress has the power to spend money to promote general welfare. Although the ACA has several short-comings that are currently being debated and others yet unknown, the bill's potential to improve access to care for the

uninsured, reduce healthcare costs and make insurance companies more accountable make it worth the trouble. As with any major change, working out the problems over time will be required to allow the ACA achieve the goal of improving the health status and overall life quality of consumers (Friedman & Becker, 2012).

References Blue Cross Blue Shield of Rhode Island. (2010). Federal Healthcare Reform. Patient protection And affordable care act individual mandate & subsidy. Retrieved from: [https://www.bcbsri.com/BCBSRIWeb/pdf/Individual\\_Mandate\\_Fact\\_Sheet.pdf](https://www.bcbsri.com/BCBSRIWeb/pdf/Individual_Mandate_Fact_Sheet.pdf) Friedman, A. & Becker, N. (2012). Understanding the Individual Mandate's SCOTUS Pivot Points. Justices ponder adverse selection, a potential death spiral and severability. Retrieved from: <http://idihealtheconomist.com/he000023.shtml> Kaiser Family Foundation (2012). Health reform. Retrieved from: <http://healthreform.kff.org/>