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Course:

Date:

Healthcare Economics

The Patient Protection and Affordable Care Act (PPACA), is called health care restructuring. In the United States of America it was endorsed as a policy by President Barack Obama on March 23, 2010. The Senate on December 24th 2009, by a vote of 60-39 with all democrats and two independents voting for, and all republicans voting against. The Patient Protection and Affordable Care Act the House of Representative on March 21, 2010, by a vote of 219-212, with democrats and all 178 Republicans voting against the bill (Buss & Water, 61). The Patient Protection and Affordable Care Act is far-reaching legislation that will affect economic activity far beyond the one-sixth of the United States economy identified as health care sectors.

How Mandates Increase Costs

When a new mandate is implemented the policy change increases the affordability and accessibility of health care coverage. For instance, in June 2002, the Washington Policy Center examined and proposed that the government obligated mandates adding to the rate of health insurance. The same year health insurance premiums in Washington and the entire nation escalated from an annual average of \$ 3,080 for individual and \$8,000 for families to \$ 4,800 for individuals and \$13,400 for families.

Individual Mandate

The individual mandate is the solitary most significant and contentious feature of the Patient Protection and Affordable Care Act. This mandate needs a person without cover to either buy or pay a fine (Buss & Water, 87). The personal mandate was initiated so as to provide indemnity to people with pre-existing status and those without cover, who mostly seek cure in high-cost emergency rooms. The individual mandate is preferable because of rationales over the option of a common tax offset by credit for qualities paid. It was chosen over the alternative of a general tax offset by credits for premiums paid. Democratic lawmakers did not want to be answerable for imposing a new tax.

The Act inflicts a wide range of health insurance policies and plans that cover the citizens. Participation of development of the regulations of health assurance plans are involved in the needs. The Act plays an imperative role in increasing Medicaid eligibility for low income people. The concern of a health gain substitute is required to enable the buying of national succeeding plans, provision for the establishment of small business health options program. If a state does not establish a health benefit exchange the secretary of health and human services should establish and operate an exchange within the State.

Employer Mandate

Employer mandate it is also referred to as a free rider penalty. It focuses on which employees go to the newly created exchange and purchase insurance by being assisted with the federal government with a premium tax credit, which is only available to low income employees. Employers with more than 50 employees get a free rider penalty, and full time which is 30 hours or more. If an employee has employer who provides health insurance coverage his/her employee will be ineligible for

low income premium tax credits or health insurance cost sharing reduction purchased through a state exchange.

The Abortion Mandate

Those health insurance plans that offer abortion coverage are acceptable to participate in a state's exchange and receiving of federal subsidies unless the State legislature positively chooses to offer these plans. The people with income up to 400% of the federal poverty level normally receive tax credits for the applying of health insurance plans in the new exchanges. The individuals that have a plan that covers abortion the tax credit will not be used for the payments of abortions directly but the tax credit subsidizes the insurance plan which covers abortions. However the patient protection and affordable act neither pays for abortions nor insurance plans that cover abortions (Buss & Water, 102).

The Patient protection and affordable care act does not require the community health insurance option to cater for abortion services unless it is rape, incest and life endangerment. It includes conscience protections that permit health care providers and health care facilities examples catholic hospitals. The patient protection and appropriate act mandates are increasing costs. Reimbursements decrease, this will lead to hospitals seeking to make up differences from privately funded patients plus those on employer sponsored insurance plans.

Work Cited:

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