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Healthcare: The Affordable Care Act

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The Affordable Care Act

Health insurance refers insurance coverage that caters for an insured individual's surgical and medical expenses. There are different types of health insurance packages with different implications regarding an insured individual. The kind of coverage determines the mode of payment of medical services. An insured individual can pay healthcare providers from his or her pocket and later gets a reimbursement. Alternatively, an insurer can pay a healthcare provider directly meaning that a patient does not pay for medical services. Some countries, like the U.S., have no universal coverage for healthcare. As such, it is common for health insurance to be part of employment benefit packages. As such, some people see it as a benefit of employment (KFF, 2013).

In 2012, more than forty seven million Americans were uninsured. This population comprises of the jobless and self-employed persons. The major reason for such a high number of uninsured persons is the high insurance cost. Most individuals cannot afford to buy insurance covers on their own. As such, most people depend on their employers to attain health insurance coverage. However, not all employees get employer-sponsored coverage. In addition, not all workers with employer-sponsored coverage can afford their premium shares. Another reason is that there are gaps in public coverage eligibility. This leaves a large number of Americans without affordable options; hence, the large number of uninsured individuals (KFF, 2013).

The Affordable Care Act (ACA) is an American medical reform law aimed at reforming the healthcare system. Constituents of the reform include taxes, new benefits, tax breaks, rights and protections, funding, regulations for insurance companies, spending, committee creation, new job creation, and education, among others. The reform's objectives are to provide

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Americans with health insurance that is affordable and of high quality and to curb the increasing rates in healthcare spending countrywide. In addition, it aims to aid individuals in maintaining coverage and making private insurance accessible and affordable to as many people as possible. As such, the act has put in place comprehensive reforms in health insurance that will expand coverage, guarantee more choice, reduce healthcare costs, enhance healthcare quality for all Americans, and enhance accountability of insurance companies (KFF, 2013). Coverage expansion includes Medicaid eligibility expansion and Health Insurance Marketplace establishment.

Several particular illustrations can show the importance of this reform to the American healthcare system. Currently, CHIP and Medicaid covers low-income earners without alternative options for affordable coverage in millions. Despite this, adults who have no dependent children still have nonexistent or limited eligibility. Expansion in eligibility for adults earning up to 138% FPL would increase the number of uninsured adults who are eligible for the program. The act will also streamline and simplify Medicaid in terms of enrollment processes and subsidy eligibility to foster the enrollment of eligible persons (KFF, 2013).

In addition, there will be an increase in affordability and accessibility of private insurance to a portion of the uninsured population. Low-income earner will have eligibility for subsidies in purchasing private insurance through market places for health insurance. It will also be a requirement for employers with more than one hundred employees to provide insurance to those who are eligible. Failure to adhere to this rule will result in penalization. Furthermore, subsidies are now available to employers with smaller firms. These subsidies are incentives for the provision of insurance (KFF, 2013). It is apparent that the reform will be of great benefit to the healthcare system despite the fact that there might be an increase in the national budget.

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