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COMMENTARY

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The successful innovations of the affordable care act of 2010

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Abstract

The purpose of this article is to describe the innovative strategies that were used to develop the first National health insurance program in the United States. The first innovative provisions was the development a fund to expand health coverage under the State Medicaid programs to expand coverage through most Medicaid State Health Plans. The establishment of a new innovative structure of premium subsidies to expand private health insurance for many uninsured Americans, to purchase a Subsidize health plan was the second innovated approach, to finance health insurance to those that were previously uninsured. Unlike most Western nations, that finance health insurance through a national tax or income tax, the American innovative approach relayed on providing government subsidies for individuals to purchase private health insurance plans and/or expand coverage under the existing Medicaid program. This innovated strategy has been very successful to greatly reduce the number of uninsured Americans to be at the lowest since records have been maintained on this topic. However, this program has been successful to lower the number of uninsured Americans, many have opposed this innovated strategy as it relies too much on government subsidies to reduce the number of uninsured. Now efforts are under way to repeal and replace the innovative strategies that have increased the number of insured in the United States.

Keywords: Obamacare, Health Insurance, Tax subsidies, Uninsured Americans.

Background

The partisan debate over the Affordable Care Act of 2010 (ACA) and the provisions included in the law ignore the success of the new law's achievements in the field of public health. There have been great strides in public health as a whole, because many low-income uninsured Americans relied solely on remedial emergency care. This was a direct result of their inability to pay. Under the ACA, they gained access to health insurance protection enabling them to secure preventive and timely emergency care benefitting all of society. The ACA developed innovative strategies that gave these same individuals, when eligible, the ability to obtain subsidies and tax credits so they might purchase health insurance for the first time (Glied & Jackson, 2017).

Health insurance is not the same thing as good health. Current data from the Centers for Disease Control and Prevention demonstrates how the program, through expanding coverage, extended patient lives reduced the number of individuals that relied on our

public health system for their basic medical care and reduced the number of uninsured in the United States. (Kaiser Family Foundation, 2016).

For example, as of 2015, because of the ACA, around 137 million Americans were guaranteed preventive services without cost sharing. Small group and individual insurance plans are required to cover 10 Essential Health Benefits such as blood pressure screenings, well care visits, vaccines, and preventive maternal and child health coverage to improve the health of infants and children.

Consequently, this has placed less pressure on our capricious public health care system. In the first 9 months of 2016, only 8.8% of Americans lacked health coverage compared with over 23% lacking health insurance when the program began in 2010. This data is based upon survey data from the Kaiser Family Foundation. (Kaiser Family Foundation, 2016).

The individual mandate provision under the ACA, requires all Americans to have health insurance or pay a fine (Brooks, 2016). Securing medical insurance facilitates the access to the medical care they need. In the past, public hospitals and clinics were the “provider of last resort”. For those individuals that could not afford or were not eligible for Medicaid, the ACA provided subsidies for the purchase of private health insurance plans. The health law provisions further reduced the number of individuals who did not have health insurance at their place of employment. The share of unemployed adults declined from 18.4 percentage in 2013 to 9.3% in the first 9 months of 2016. One of the primary ways this was achieved is through the creation of online health insurance markets. Government subsidies allowed individuals to obtain health insurance plans at a lower cost from these insurance marketplaces. As a result, the number of individuals filing for bankruptcy because of their ability to pay for their physician and hospital bills declined sharply. (Katz, 2017a) The Affordable Care Act made health insurance achievable and affordable for many low-income and disabled Americans.

The Affordable Care Act provided additional Federal Medicaid funds to cover Thirty-Five State Medicaid Plans that agreed to participate in the Medicaid expanded program. Under this program Medicaid coverage was expanded to any American earning less than \$ 16,000 per annum as a single person or \$35,000 for a family of four (Rawal, 2016). Political discord and partisanship resulted in 16 State Governments refusing to participate and not receiving the additional Medicaid Federal funds. This action prevented the enrollment of over 10.1 million low-income Americans, to the expanded Medicaid program (Katz, 2017b).

One of the signature innovations of the law was that it prevented health insurance companies from denying coverage or charging higher insurance rates to individuals with a preexisting condition or health condition that required excessive treatments and procedures. This innovation program helped lower the cost of hospital, physician, and laboratory services for individuals who are disproportionate users of the health care system. The ACA set a standard for the minimum guaranteed package of benefits offered by various insurers (Bowen, 2017). This provision further guaranteed that preventive health services would be available in the health plan, without co-payments. The ACA of 2010, also allowed young people to remain on their parent’s health plan until age 26. This provision encouraged many to support the health care reform.

The law made efforts to insure that healthy people would enter the market place through an individual mandate provision. This required all Americans to have health insurance protection and those who refused coverage would be subject to a tax by the Internal Revenue Service (Affordable Care Act, 2010).

One provision of the ACA raised taxes on higher income individuals in order to help finance the new health care provisions improving access to primary care services. In addition, improving reimbursement incentives for hospitals participating in the Medicare program was another important provision. These new incentives were established for both hospitals and physician group health plans, as an incentive to improve the quality of care in healthcare settings. In order to promote higher quality of care, studies by RAND, a health policy research center, explored and presented new strategies to lower Medicare reimbursements and compensate providers for higher quality of care (RAND, 2016). The new incentive payment strategies have been implemented and have achieved savings for the Medicare program. Other major provisions of the new law stopped drug companies making payments to individual physicians and required large chain restaurants to publish calorie counts on their menus.

The new health care law placed greater emphasis on expanding the availability of private health insurance, but at the expense of our existing public health care system. Most State and County governments have been struggling to maintain quality public health care systems (Brill, 2015). The expansion of the State Medicaid program through more Federal funds helped State governments increase the number of individuals eligible for Medicaid coverage. Most of these individuals were served in private hospitals and physicians group health plans. The result has been that many States and County governments have closed Public General Hospitals and community health centers in their communities. Consequently, one of current successful innovations of the ACA, is the availability of the private health care marketplace, with a decline in the utilization of the public health system to serve our underserved populations. On the other hand, this program had a positive impact on public hospitals and clinics because many of their patients now had the means to pay for their care rather than it being a charity care case, or as described by the providers a “no pay” case, and a financial loss to the provider. This is just one example of how the law increased entrepreneurship, through expanding small health insurance plans to cover more patient lives and better compete with the larger health plans. Other examples included the ability of research firms to compete for CMS research and development grants to develop innovative approaches to improve the quality of care in hospitals and develop incentive reimbursement strategies to lower the cost for the Medicare and Medicaid programs.

Conclusion

The continuing efforts to repeal and replace the Affordable Care Act proposes to roll back the successful innovations of the law, reducing the ample impact this law has achieved in improving the American health care system. Any repeal would place greater pressure on the nation’s public health care system and non –profit health care facilities that serve the poor and disabled populations. Since enactment, the ACA has resulted in more children and young adults having access to quality medical service to prevent and treat serious illnesses. Many low-income Americans are receiving more quality medical services than even before, slowly improving the nation’s health status and

longevity rates. With the recent actions by the Congress to not make any changes to this vital program, we can only hope that the Congress and the President will agree upon a compromise plan in the near future. Any efforts should be made to address concerns and improve the ACA rather than repeal it. That action would have a major impact on providers to provide quality health care to millions rather than increase the number of uninsured individuals with no access to care in the United States.

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Competing interest

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