Analysis of Affordable Care Act

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Introduction

The purpose of this paper is to analyze the Affordable Care Act. The key elements of access, cost, and quality will be examined. Support and opposition of these aspects will be discussed with reasons and rationales. Ethical consideration for end of life care will also be covered. Finally, a personal opinion for this legislation will be expressed.

Purpose of the Affordable Care Act

The United States ranked next to last on five indicators of high performing health systems. The Affordable Care Act (ACA) was established to refocus the foundation of the healthcare system by extending consumer access to healthcare, reducing costs, and improving quality. The law was enacted to improve the efficiency of healthcare and to provide more equitable care.

Consumer access to healthcare is influenced by insurance coverage and demographics. The number of people uninsured in 2004 was 41.4 million, or 14.6 percent of the population. Minority races constitute one third of the population, and 52 percent of the uninsured. Also, rural Americans face greater difficulty accessing care than urban Americans. A United Health study found only 65 primary care physicians for every 100,000 rural Americans, while urban and suburban areas reported 105 primary care physicians per 100,000 (O'Toole, 2011).

One in six dollars earned in the United States goes toward healthcare costs. Healthcare expenditures were 16.2% of the gross domestic product, which is about 2.3 trillion dollars. The nation spends 5.3 billion dollars per day on healthcare (Russell, 2010). Over 1 million Americans have filed bankruptcy as a result of health expenses. Premiums and treatment costs continue to rise to help off-set nonpayers. According to ONA (2010), the average increase in

health insurance premiums nationally has exceeded employee earnings and the consumer price index for over seven years.

The quality of healthcare in the United States has continued to decline. In a comparison to the United Kingdom, Germany, Australia, New Zealand, and Canada, the U.S. was last in delivering safe care, and next to last in delivering care that is appropriate, coordinated, and patient-centered (Russell, 2012). Fall rates, medical errors, and other quality lapses continue in hospitals and long-term care facilities (Shindul-Rothschild, 2012). Pre-term births, infant mortality, and life expectancy fall behind when compared to other developed countries. Staffing shortages also affect quality of care. By 2020, there is a predicted shortage of 200,000 physicians and 250,000 health care professionals. By 2025, there will be a shortage of 260,000 nurses.

Healthcare Access

The Affordable Care Act addresses access to healthcare by providing subsidies to families of four or more occupants. The ACA prohibits lifetime dollar limits, and the denial of children under the age of 19 due to a pre-existing condition. Present policies are also extended to include children up to age 26 (Whitehouse.gov, 2011). Employers of 50 or more employees are required to offer health insurance or face steep fines. Mandates require individuals to have or contribute to health insurance.

About 18.6 million people are newly eligible for Medicaid under the Act according to a study by the Robert Wood Johnson Foundation. The share of the newly eligible population tends to be from southern and western states, where minorities are at a much higher population. Estimates show that out of 45 million uninsured individuals, 32 million will have health coverage by 2019 (Clemens-Cope, Garrett, & Buettgens, 2010).

Supporters/Rationale

The American Diabetes Association and the American Cancer Society Action Network support the ACA. The legislation ends the pre-existing condition clause found in most health plans, and expands access and coverage to uninsured individuals (Popper, 2011). Furthermore, the Act creates greater access of care to individuals with diabetes or cancer. Insurers will be required to sell to all applicants beginning in 2014. Until then, the Act offers a Pre-Existing Condition Insurance Plan.

Minorities, rural Americans, and other underserved population groups also support this Act. These populations have higher rates of disease, fewer treatment options, and reduced access to care. Health disparities will be reduced through the support in training, development, and placement of more than 16,000 new primary care providers over the next five years. The Act has gained support of Community Health Centers that serve these populations. The centers will receive increased funding enabling them to double the numbers of patients seen. The legislation also expands Medicaid to newly qualified low income families (Healthcare.gov, 2010).

Opposition/Reasons

In general, health insurance companies oppose this law. It provides further scrutiny on how health insurance companies handle pre-existing medical conditions and limits maximum coverage (Liu, 2009). Minnesota Insurance Industry Chair of Health Finance Stephen Parente reports the Law is “built to fail” (ProCon, 2011). The report states that mandates for coverage and benefit packages provided through the exchanges, will drive up insurance costs for individuals and small businesses.

In other opposition, the Association of Medical Colleges fears severe pressure as demand rises more rapidly than supply. The question has been raised to whether a sufficient amount of

providers will be available, especially in light of the significant shortages even before the reform. The projection by experts is an overall shortage of 45,400 primary care physicians in 2020, and 65,800 in 2025 (ProCon, 2011).

Healthcare Costs

The Congressional Budget Office reports a projected savings of 100 billion dollars over the next ten years with The Affordable Care Act, and over 1 trillion dollars in the following decade. This will be achieved through provisions implemented immediately, and others implemented through 2014 and beyond. The Robert Wood Johnson Foundation estimates 32 million fewer people will be uninsured, decreasing the cost of uncompensated care from 61 billion dollars to 25 billion dollars (Clemens-Cope, et. al. 2010).

Services like mammograms, colonoscopies, immunizations, pre-natal, and infant care will be covered. These preventative measures are covered with no out of pocket costs. The law also prohibits lifetime limits on health insurance. This benefits 20,400 people who typically hit the limit, along with nearly 102 million consumers who have already reached a pre-existing limit. Annual dollar limits on insurance will be phased out by 2014 (Whitehouse.gov, 2011).

Supporters/Rationale

The Center for American Progress states that without reform, premium costs are expected to increase from over 13,000 dollars in 2010 to over 21,000 dollars in 2019. Under reform, these premiums only increase three-quarters as much. Adding reductions from out of pocket costs and lower taxes for Medicare and Medicaid will save the typical American family 2,500 dollars per year. The Congressional Budget Office and Joint Committee on Taxation predict a net reduction in federal deficits of over 143 billion dollars over a ten year period (ProCon, 2011).

Opposition/Reasons

Republican Senator Lisa Murkowski reports the Centers for Medicare and Medicaid Services (CMS) will impose billions of dollars in annual fees on importers of prescription drugs, taxes on medical device sales, and health insurance plans. CMS anticipates these fees to be passed to consumers through higher costs of drugs and increased premiums. The estimate of raising healthcare costs grows from 2.1 billion dollars in 2011 to 18.2 billion in 2018. Douglas Holtz-Eakin, former Director of the Congressional Budget Office, reports the health care reform would raise federal deficits by 562 billion dollars (ProCon, 2011).

Healthcare Quality

The Affordable Care Act provides incentives to consumers that purchase high quality insurance, and to facilities that provide high performance health care at a competitive price. Bundled payments are being applied as an incentive to keep patients healthy. The ACA provides up to 500 million dollars in funding to help health providers improve care. The focus is on preventative research, health screenings, and education to improve care and cut costs (Russell, 2012). Performance measures and public reporting infrastructures are incorporated through demonstration and Pilot Projects, to provide meaningful, relevant, and easily understood information about hospital performance to the public.

Evidenced based research shows a well-educated, highly skilled, diverse nurse force will be critical to meet future heath care needs and to improve quality. Through the Health Resources and Services Administration, grants are provided to strengthen the nursing workforce. These programs bolster education from entry level through the doctorate level of nursing. The ACA also establishes a national healthcare workforce commission to study workforce resources and align them with national needs. (Businesswire, 2011).

Supporters/Rationale

The Alliance for Retired Americans believes pilot programs implemented will improve efficiencies. Hospitals and physicians are encouraged to provide quality, coordinated services through payment incentives. The supporters feel Medicare will reward quality of service as opposed to quantity (ProCon, 2011). The American Nurses Association (ANA) also voices strong support of the Affordable Care Act, stating the law achieves needed reform, placing a new focus on wellness and prevention (ANA, 2011).

Opposition/Reasons

Investor's Business Daily reports care will suffer. The opposition claims fewer than 700,000 physicians would be available to treat a growing patient population that is aging. The group states patients will shun medical education and receive "free" healthcare or insurance coverage in increasing numbers. The result will be longer wait times to see a doctor and a decline in the high quality of care Americans are used to, as overworked and understaffed physicians try to keep up (ProCon, 2011).

Ethical Considerations

One of the ethical considerations is end of life care. Estimates show about 27 percent of Medicare's annual 327 billion dollar budget goes to care for patients in the final year of life. Due to government mandates, bundled incentives, and cost saving strategies, many fear rationing and resource allocation, and the impact on end of life care in hospitals and medical centers. This ethical concern about futile care and patient autonomy are growing due to media coverage amidst changes in healthcare structure (Smith, 2011). However, the Federal provision is to allow Medicare to reimburse for consultations about end of life care. The intention is to give people more information so these issues can be handled on an individual basis (Rapp, 2011).

The potential of rationing care to the elderly and disabled creates a serious ethical dilemma for many nurses. The ANA Code of Ethics states nurses are "to do good, and not harm." Nurses are responsible for articulating values, maintaining professional integrity, and shaping social policy. The nurse must maintain the standards of practice and duty owed the patient, while acknowledging potential future implications of healthcare reform (Curtin, 2012).

Personal Opinion

Healthcare in the United States has been on a downward spiral for many years. Therefore, I believe reform is necessary. There are many "working poor" in this country, denied access to health coverage. Those with insurance pay higher premiums to cover the costs of the uninsured. There has been a "bidding war" over health services provided and fees for these services. Costs and profits have become the focus, rather than quality. Insurance companies need to be held accountable, and as a result a more competitive market will be created. Mandates will now create a pool that most people are pouring into. Individual providers, insurers, and facilities will now be in a more competitive market. Public transparency and performance measures will create a quality driven healthcare force. With access and cost on a more level playing field, quality providers will benefit. Preventative measures, education, and wellness will now be the focus. Health quality and quality of life will be enhanced.

Summary

The Affordable Care Act restructures a failing health system in the United States. The reform expands access to healthcare, cuts cost, and provides the framework to create a quality driven system. The law draws support and criticism from various groups and individuals. The legislation also sparks debates over ethical considerations in end of life care. As a nursing professional, I strongly agree healthcare reform is necessary.

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