

Policy Brief

Student's Name:

Institutional Affiliation:

Course:

Instructor:

Date:

Introduction of the Bill

The Patient Protection and Affordable Care Enhancement Act (PPACEA) has been proposed as a bill that can help address the issues that arose after the introduction of the ACA. The Act establishes and seeks to provide funding to improve the affordability of health insurance to all Americans through the improved health insurance affordability fund (Congres.gov, 2021). This fund will therefore be sustained by both the federal and state governments, with all states being required to use the allocated funds to provide assistance to patients to reduce out-of-pocket costs through coinsurance, copayments, and deductibles plans. States will also be required to issue insurance payments to health insurers and therefore provide a subsidy for insurers against high claims by patients (Congres.gov, 2021).

Background

The Affordable Care Act (ACA), popularly referred to as Obamacare, which was enacted in 2010, has consistently been criticized as not being effective as it had been expected. The number of uninsured Americans, therefore, continues to rise significantly, with at least 26.9 million Americans lacking health insurance by 2018 (Sullivan, 2019). The ACA has also been criticized as contributing to the significant proportion of Americans lacking health insurance as a result of making people pay higher premiums. Concerns have also been raised about the rising federal taxes as a result of the ACA. These taxes were therefore enacted to help raise funds to pay for the ACA, including taxes on pharmaceutical sales and medical devices (Waldman & Song, 2019).

The PPACEA seeks to address the different challenges facing the ACA that have contributed to the rising cost of premiums and the rising of taxes for pharmaceutical sales and medical devices and eventually to a significant proportion of Americans being uninsured. The

PPACEA proposes the lowering of healthcare costs and effective protection of individuals with pre-existing conditions by providing subsidies for health insurers to motivate them to lower the cost of premiums which will encourage more people to subscribe to health insurance. The PPACEA also proposes state and federal governments avail funds to subsidize health care insurance payments for individuals through coinsurance, copayments, and deductible plans that can help reduce the out-of-pocket costs to patients across the population (Congres.gov, 2021).

Key Regulatory and Legislative History

The PPACEA was introduced into the House of Representatives by Craig Angie, who belongs to the Democratic Party and is the current representative of the 2nd congressional District in Minnesota on the 28 of February 2019. The bill was then amended by the committee on energy and Commerce on the 9 of March 2020 and eventually passed in the house with 234 votes against 179 votes on the 29 of June 2020. The bill was then forwarded to the Senate, where it has been read twice and is currently placed on the Senate's legislative calendar (Congres.gov, 2021).

Policy Options and Alternatives

The PPACEA is in itself a policy alternative for the ACA. The Act highlights that the establishment of a health insurance affordability fund by both the state and federal governments will help address the central weaknesses of the ACA, which include high premiums and high costs that have contributed significantly to the rising number of uninsured Americans. The PPACEA highlights that the insurance affordability fund will be used to provide subsidies to both insurers and consumers that will help lower the cost of premiums and encourage more people to obtain health care insurance (Congres.gov, 2021).

Pros and Cons of Policy Option

The advantages of the implementation of the PPACEA would be that Act would encourage more people to obtain health insurance as a result of the lower premiums and lower out-of-pocket payments. However, the main limitation of the Act would be that it would not resolve the rising taxes as the federal government would be seeking funds to sustain the insurance affordability fund created by the Act (Congres.gov, 2021). Currently, the PPACEA, just like most health care policies, is normally supported by Democrats and opposed by Republicans. The Democrats are focused on reducing the number of people with no health insurance, while Republicans are more worried about the raising of taxes to fund different health welfare programs.

Stakeholder Perspectives

The PPACEA enjoys the support of consumers and healthcare practitioners who view the Act as an effective framework that can help increase the accessibility of healthcare services to underserved populations across the U.S. However, healthcare insurance companies oppose the Act as they see it as being used by the government to exert more control in the healthcare industry and control the pricing of health care insurance premiums and general operations in the industry.

Recommended Action

The currently recommended action would be for the Senate to approve the PPACEA. This would help to address the current challenge of inequality in health care across the U.S.

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