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Government Policy Analysis and Evaluation about The Affordable Care Act

## Brief Introduction | A timeline of the policy

The U.S. is the only country in the developed world that has not achieved universal health care. Before ACA, the number of people without health insurance was about 47 million, or about 15 per cent of the total population of the U.S.



Provide health insurance to those not currently covered;  
Decrease costs across the U.S. health care system.

On March 21, 2010, the Patient Protection and Affordable Care Act (ACA) was passed by Congress and signed by President Obama.

On May 4, 2017, the House of Representatives of the United States Congress approved the abolition of ACA by 217 votes to 213.



## Brief Introduction | Some opinions about policy

### Objective opinions

TIME: the current economic situation is a headache, health care reform seems anachronistic, but must be promoted.

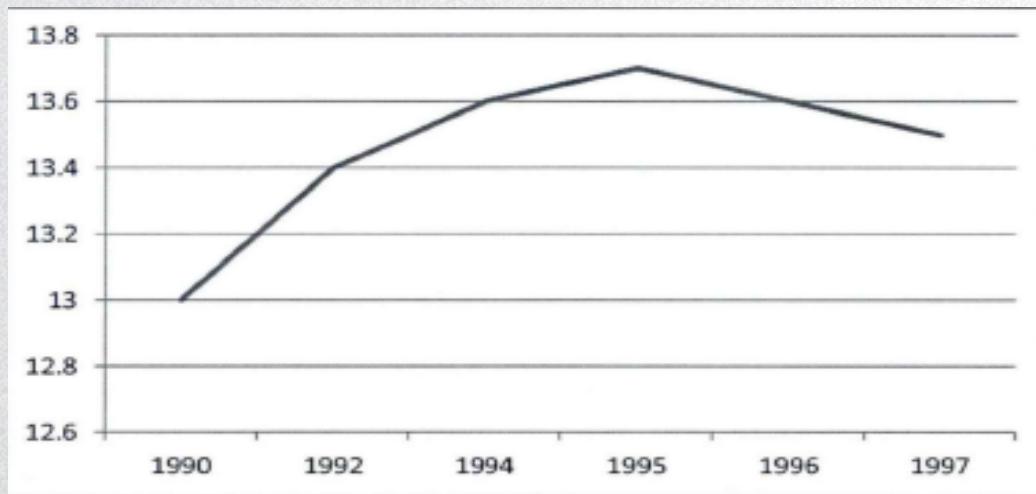
New York Times: ACA will change the health care system in the United States, which is harmful to taxpayers and medical security providers.

### Biased opinions



## Literature Survey | Evidence for a similar policy

### Clinton's Health Security Act



Source: U.S. Department of Commerce, Annual Source Book Survey

Clinton's plan to address the source of health care in the health-care bill caused the federal budget to run a surplus in the late 1990s. Between 1990 and 1997, the ratio of medical expenses to GDP showed a downward trend after 1995.



## Literature Survey Major conclusion

### Major conclusion

1

Local reforms were promoted, and the introduction of Health Insurance Portability and Accountability Act in 1996 increased the number of group insurance entrants by 2%.

2

The reform of the state government has been promoted. By 1994, more than 20 states had carried out the reform of the health insurance system.

3

The increase in medical expenses was controlled. Between 1990 and 1997, the proportion of medical expenses to GDP showed a downward trend after 1995.



## Literature Survey | Lessons

These lessons are all comparable and relevant.



1



2



3



Clinton's bill was opposed by several interest groups, so Obama began by talking to them for support.

Clinton's health care reform bill was obscure and resisted from the beginning, so the enactment of the bill should pay attention to the details.

There is a lot of negative news about Clinton in the media, so Obama should properly handle the relationship with the media.

# Policy Effects Analysis | Consequence

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## 1 Seen consequence

Expanded the coverage of health insurance;  
Improved utilization of medical services.

## 2 Unseen consequence

It improves the property safety of the family.  
Reduce the cost of uncompensated medical care in the hospital.

## 3 Unintended consequence

Increase in medical insurance premiums;  
A serious shortage of health exchange, resulting in limited access to health insurance for the public to choose from.



## The competitive criterion



The competitive criterion is the coverage of insurance and the reduction of hospital expenses.



## Rules of the game

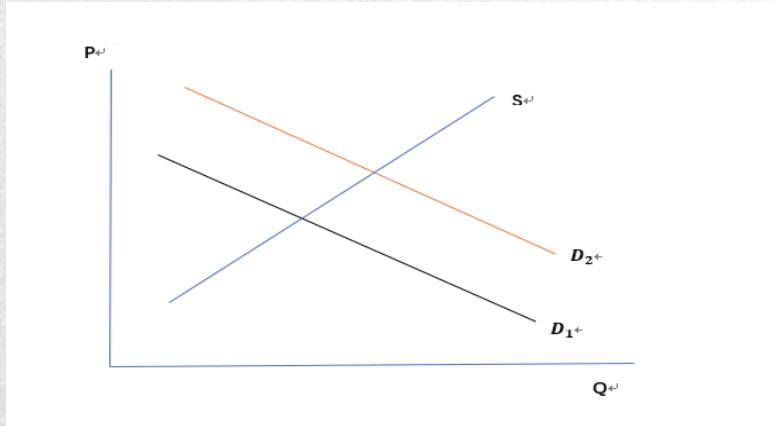
The rules of the game is the quantity and price reach equilibrium.

The ACA has a stronger effect on the price of insurance.



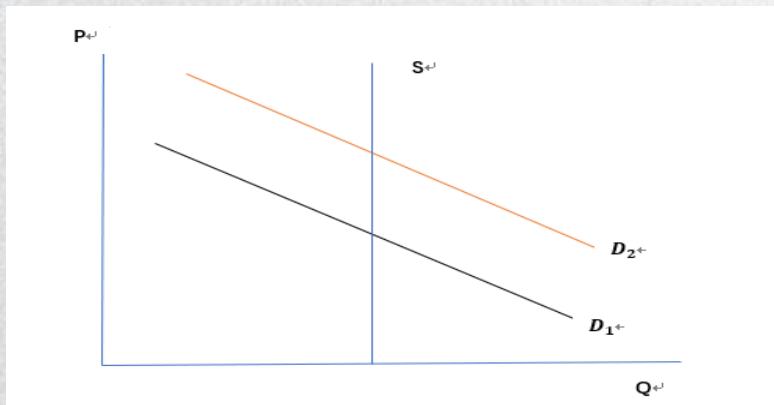
# Policy Effects Analysis | Demand and supply model

The short-run impacts:



In the short-run, when the number of insurance is certain, the expansion of insurance coverage leads to an increase in the number of insurance, the demand curve moves to the right, the price and quantity of insurance rises.

The long-run impacts:



In the long-run, the supply curve is a vertical straight line, when the demand for insurance increases, the demand curve moves to the upper right, causing the price to rise but the quantity does not change.

## Policy Evaluation | Concerned

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1. The winners from the policy are the population below the federal poverty line standard of 133%.

The losers from the policy are the richest people who make up three-thousandths of the U.S. population.

In the sense of freedom, the policy is unfair. A core requirement of ACA is that every American citizen must take out health insurance, with the exception of a very small number of exceptions, such as those who believe in a particular religion, or pay a fine of about 2.5 per cent of the individual recipient. This mandatory requirement has a strong egalitarian color, but greatly infringes on the freedom of Americans.

2. Accountable Care Organization, National Prevention, Health Promotion and Public Health Council are accountable for the policy.

There are four main sources of funding for ACA: employers and units pay, increase taxes, fines and reduce federal health program spending.

## Policy Evaluation| Budget and Measures

### Total budget

U.S. to spend \$871 billion on health care reform over next decade.

Many people in the United States will face implicit costs of declining quality of health care and increased economic burden.

### measures

1. ACA requires insurers not to deny any applicants and charge the same health care costs, resulting in skyrocketing premiums.
2. ACA's explicit restrictions on the growth of government health care costs ignore the long-term benefits of families, making households' economic income unsustainable.

# Policy Evaluation | Evaluation

Economic efficiency refers to the economic benefits that can be obtained on the basis of certain economic costs. The ACA design and implementation doesn't follow the economic efficiency principle.



# Policy Evaluation|Improvement

The ACA should cover 10% of those who can't afford health insurance, and 6% of young people who don't want to buy it are not forced to buy it.

Eliminate the requirement that insurance companies can't refuse insurance with prior conditions . Implement high risk to pay high premium, low risk to pay low premium

Pay attention to the doctor's education and subsidize the doctor's education expenses appropriately.

Measure I

Measure II

Measure III

1

2

3



## References

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