

Bureaucracy and Decision-Making in Affordable Care Act

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Introduction

The Healthcare Act established by the Obama regime has managed to give the average American access to health care, more so to those with low incomes. Despite this, the Affordable Care Act is set back by major bureaucratic hurdles, as this paper will show. The other challenge to this legislation is the impediment created to decision-making by the policymakers in the business sectors, more so the insurance providers. The success of the ACA has been affected by various reasons, from political to economic, but this paper will delve into the way bureaucracy and lack of decision-making power by public administrators, including businesses and individuals, are interlinked.

Role Of Bureaucracy In The Implementation Of Affordable Care Act

This law gives the government full power to regulate the insurance industry in the US by making the federal government a watchdog of the implementation of the law through various institutions. Bureaucracy will make the ACA a very expensive outfit for the US government. According to Ball and Gormley, it is estimated by the Office of Management and Budget that in 1996 alone, Medicaid was approximately 64 million dollars, while in 2011, it had risen to 500 billion dollars (Balla and Gormley, 2017). A Virginia-based Council for Affordable Health Insurance estimated that the administration cost 66 percent more than all the private health insurance companies put together due to its extensive bureaucratic maze.

The Department of Health and Human Services is having a major challenge in the administration and implementation of the ACA due to its many new and complex program responsibilities, which makes its success a real challenge. Among some of the issues faced are being able to identify and reduce payments that are improper and preventing fraud in this labyrinth of institutions.

The bureaucratic nature of ACA also impedes the legislation's ability to avoid waste and promote good quality health care. This is not easy since each state is mandated to put in place its own exchange system, and at the same time, different new institutions are supposed to work in a coordinated way, which is practically impossible.

One of the major setbacks in increasing the level of bureaucracy is the many regulations that have

been passed to help implement ACA. These regulations have led to the creation of various institutions that will require staff and other facilities. According to (Balla, and Gormley, 2017) the ACA will raise federal government expenditure by approximately 274 billion dollars in catering for new administrative costs of all these new institutions implementing ACA in the duration between the year 2014 and the year 2022. This fact alone shows how bureaucracy is impeding the success of this noble insurance regulation.

After creating several offices and bodies to implement ACA, it is definitely obvious the issue of bureaucracy come into being. Having the office of information on consumers and overseeing insurance and programs in insurance operating together with insurance exchanges related to health creates a network with linkages that will make service delivery to those in the insurance industry. Duplicated roles are bound to be there, and this is only to mention a few with representation from state to state. The office of health insurance exchanges differ in their implementation strategies, and this would result in more difficulties for the insurance programs and insurance oversight, working all in harmony and efficiency.

Other agencies created are the Office of Consumer Support, the -centered Outcomes Research Institute, and the Independent Payment Advisory Board, which have duplicated roles, creating confusion in applying regulations in ACA from the national to the state level. Decision-making becomes more challenging and difficult, especially where unique individual problems arise.

To make matters worse for the over 100 agencies, boards, commission offices, and other bodies created, there is a need to establish more laws to govern how they are operated, and this complicates the problem of bureaucracy even more.

Powers Of Public Administrators Limited By Policy Implementation Of Affordable Care Act

The administrators of big businesses are limited in their decision-making concerning employees since employers are required by law to pay insurance for their employees. Another area in which the power of public administrators has been limited is in the case of the states. The federal government requires each state to establish health insurance exchanges, and additional responsibilities are given to the state government, such as ensuring new regulations are followed in the insurance market. In this aspect, the state has been forced to consider health insurance in a more comprehensive manner than ever before.

According to (Jones, Bradley, and Oberlander, 2014), a policy created differs from the administrators at the state level due to a different political, legal, and administrative allegiance to state laws and interests, leading to friction between those states that are Republican. Though the federal government gave a free hand to the state to implement the ACA, if the state failed to do so, then the legislation allowed the federal government to implement the law at the state level.

The private insurance companies' administrators could no longer make decisions without taking into consideration this new law that allowed the pooling of insurance resources, increased savings, lowered the cost of insurance, and allowed sick people to join without paying higher premiums. This meant more completion to lower premiums in an already competitive environment where the state government created new regulations against them as directed by the federal government.

Incentives have been given to employers to provide insurance to their employees through subsidies and taxation benefits. Although this is the case, the employer cannot make a decision to deny the employee as it is embedded in the law, and the state makes a follow-up as directed by the federal government to implement, leaving the employer with no option to make a decision on the matter.

Again, in the case of small businesses, they have been given an incentive to participate in state-controlled exchanges that are controlled by the specific state in which the business is operating as per the ACA regulation, and therefore, the business decision-making process is limited to the provisions made by law.

Another interesting aspect is the aspect of risk in health care, where traditionally those individuals with life-threatening conditions would be denied insurance or had to pay higher premiums, can now access insurance at normal rates contrary to the principles of insurance as explained by (Jones, Bradley, and Oberlander, 2014). (. This decision has been made by the federal government and implemented through the ACA. However, the business would benefit from the tax credits it has to follow clearly set guidelines in the regulation limiting the level of decision-making at the business level.

By making insurance for individuals mandatory, the state has made the decision for both the insurer and the insured as the insurer will have to take these customers, not on business-motivated decisions but by the legislation laid down to provide insurance to everyone. Both the individual and the insurance company risk to be penalized if they don't comply. The minimum insurance coverage required is at least ten areas, which are prescription, outpatient, hospitalization, mental health, rehabilitation, newborn care, etc., according to Thompson and Gusmano, 2014). The burden must be taken by the insurer at a much lower cost than the private insurance, and the individual must be covered; otherwise will be penalized. For this reason, the decision on the product to offer rests with the government and not the insurer on the insured, and the states can only add on this minimum when tailoring packages for the state insurance market.

Taxation is another area in which this regulation has changed, as high-income earners pay more while low-income earners pay less. A small business may be exempted from paying if they are below the minimum bracket. As explained by Beland, Rocco, and Waddan, eligible businesses have been given incentives to get tax credits, but their decisions on how to benefit from these are strictly entrenched in the ACA and will have to comply to qualify for the tax credits (Béland, Rocco and Waddan, 2014).

Conclusion

It is, therefore, clear that the Affordable Care Act has been implemented with a lot of sacrifices made in the process. Bureaucracy has been identified as the major drawback in its implementation, leading to huge losses in money and time, as shown in this paper. Numerous laws that comprise this act, compounded by the creation of too many organizations, have made service delivery made possible by this insurance act difficult to achieve. Duplicated roles, repetitive actions, and inaccessible institutions that are not very well coordinated lead to a conflict of interest compounded by the poor political will of those against them.

References

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