

The Employer's Insurance Dilemma

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The healthcare system of the United States does not have a national delivery system, which means that people have to rely on their health insurance to cover the cost of healthcare. However, the type of insurance coverage that people have can affect their ability to receive health care as the insurance may not cover all monetary or health issues. Many people rely on their workplaces to provide them with health insurance packages so that they may be able to afford medical services. If the company, however, is not able to provide an attractive health insurance package, then some negative impacts can affect the company. This paper will explore the insurance dilemmas the employers may have to face if they cannot provide health insurance or if the insurance provided is not that good and the solution to these dilemmas.

No Health Insurance

If the company is, for some reason, unable to pay for the health insurance packages, then it may stop providing health insurance altogether. This can happen if a small business is not able to provide health insurance if it is not doing well. This can affect the sustainability of the business as the employees may leave, and it will be difficult to attract future employees. This option will also put the employer's business in non-compliance with the Affordable Care Act (ACA), which can penalize him.

Comprehensive Health Insurance

Providing a comprehensive health package can be better than not having health insurance, but anything that is not covered by the insurance would come out of the employees' pockets. Unfortunately, the healthcare system of the United States is extremely expensive, and salaried people cannot afford to pay their medical bills, so comprehensive health insurance will not provide them much relief. This will make them look for jobs elsewhere. Comprehensive health insurance covers a wide variety of health care services, but if the patients exceed the limit or use a health care service that is not covered by this insurance, then they will have to pay the amount that is not covered by the insurance. This amount can be unaffordable for some.

Bare-Bones Catastrophic Plan

This health insurance plan, as the plan suggests, provides fewer benefits than normal health insurance plans. These do not cover the cost of medicine, cancer care, drug addiction treatment, maternity care, and mental health. Apart from that, the benefits that are covered by this plan have limitations on them. For instance, if a person stays more than a certain amount of days in the

hospital, then he or she has to cover the cost of those days as the insurance will not be covering them. So, if the company provides this insurance plan, then a major amount would have to be covered by the employees, which, just like comprehensive health insurance, will not be affordable for them. This insurance is especially bad for employees suffering from cancer, female employees, and employees who have families to support. The women's access to health care through this insurance plan is disproportionate as most of their health care needs are not met through this program, and it can also put them financially at risk. If the employees are already earning lower incomes, then this plan is not going to be affordable for them. It will be the same as having no health insurance (NWLC, 2015).

Lower Wages But Provide Better Insurance

To cover the health insurance packages, the employer may pay lower salaries; this can be acceptable for the employees as without health insurance, they will be financially struggling, but this way, there will be some relief. Although this alternative is still less than ideal, it is better than the previous options discussed. However, the drawback of this option is that their salaries may not rise as quickly, and they may have to work in the same salary bracket in exchange for better insurance. The employees may have to cut back on other expenses, but the employer will be able to retain his current employees and, hopefully, in the future, be able to hire new employees.

The Best Approach

In the options discussed above, the best approach for the employer is to lower the wages and keep on providing the health insurance that he is currently providing. In this way, one of his employees who is suffering from cancer will be able to get treatment without having to worry about breaking the bank. However, there is another way that can help solve the dilemma of insurance, and that is to get insured under the Affordable Care Act (ACA), which aims to help small businesses by making insurance plans affordable. This is done by lowering the risk through large purchases through state health insurance exchanges, which helps lower the cost. This allows the insurance to be affordable to provide by the employer, and the employees are also able to receive medical care without worrying about their finances. By using ACA, the employer will not need to reduce the wages as the insurance package that he wants to provide his employees will become affordable. He will also avoid getting penalized as he will be providing health insurance (Blumberg et al., 2012).

In short, William should keep on providing the health insurance package that he is currently offering his employees, but he should do so through the Affordable Care Act. This way, he will not have to choose an option that may put his business in jeopardy.

Benefits Of The Affordable Care Act (ACA)

The ACA has a health plan for small businesses called the “Small Business Health Options Program” (SHOP), which aims to help small employers that want to provide health insurance to their employees. Employers can opt for this program through different private insurance companies. It qualifies the employer for the “Small Business Health Care Tax Credit”, which can help reduce premium costs. If the employer is providing the insurance, then he needs to provide the Summary of Benefits and Coverage, which will allow the employees to be fully aware of the benefits they will be receiving. Many health plans cost the individual nothing, as these plans include preventative care (Wilensky & Teitelbaum, 2019).

Conclusion

The American healthcare system is extremely expensive and cannot be availed without a proper health insurance plan. This means that the people that do not have insurance are not able to afford medical care, for this reason, people look for jobs that provide attractive health care packages. These insurance packages also allow employers to attract potential new hires, but if for some reason the employer does not provide insurance or the insurance that they provide does not provide many benefits, then their employees can leave the job. It will also be hard for these employers to hire new employees. Another problem that they will face is paying the penalty for not providing health insurance. To avoid these unpleasant outcomes, the Affordable Care Act was presented to make insurance affordable for small businesses. Through ACA, employers can provide better insurance packages, and employees can afford healthcare services that would otherwise be out of their reach.

References

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