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PHIL 102

17 February 2014

The New Affordable Care Act and Its Penalty

I have often heard that people are treated differently depending on their health insurance in the US. In Japan, where I come from, people have basic health care for everybody and people are treated equally. You can call an ambulance for free, and medical copayments are 30% evenly. I've never felt inconvenienced by this universal health care system. According to the Public Broadcasting Service, the annual per capita medical costs in 2010 were \$3,035 in Japan and \$8,233 in the US. Further, private expenditure on health was approximately \$900 in Japan while the US spent approximately \$4,000 which is almost half of the annual per capita medical costs (Kane). This significant difference in the medical costs is shocking. Also, easy to imagine, these high medical costs have resulted in higher premiums. Meanwhile, a new Affordable Care Act (ACA) has started to affect all Americans this year. The new ACA is supposed to give Americans stable, flexible, and affordable health insurance. To attain universal health care, however, the new ACA requires health insurance of all Americans who are twenty-six and older. Those who do not purchase it will be fined. According to Elizabeth Davis, the fine will be either \$95 or 1% of income above filing threshold ("How Much Is the Health Insurance Penalty for an Individual?"). Is it ethically acceptable to impose a fine on those Americans who do not have health insurance in order to implement universal health care system?

When thinking about the health care system ethically, Jeanne Merkle Sorrell points out that there are four main goals: high quality health care, freedom of choice, affordability, and sharing

the costs with fellow citizens (Sorrell). The previous health care system had several problems such as high premiums and lifetime cost limit etc. Also, people were denied insurance due to pre-existing conditions. The new ACA has considered solving those problems and the law also contains various advantages such as expansion of coverage, cost controls, prevention, and wellness services. According to the White House, the new ACA has “put in place comprehensive reforms that improve access to affordable health coverage for everyone and protect consumers from abusive insurance company practices” as one goal (“Health Care that Works for Americans”). This will lead Americans to have fair and affordable health insurance.

It is important for every American to have insurance in order to keep insurance markets stable and to achieve the government’s goals. Especially, adults age 18 to 40 play an important roll to the success of universal health care. According to Levitt, Claxton, and Damico, adults age 18 to 40 fill 40% of potential individual market of enrollment for health insurance. Their enrollment is necessary to have the system work properly because people who are older will likely spend more medical fees than their premiums while people who are younger will likely spend less medical fees than their premiums. That is, those from age 18 to 40 produce a surplus (Levitt, Claxton, and Damico). In other words, if enrollment is below the expected number, then, the system will not work properly and will result in higher premiums, so it is very important to enroll of those in the 18 to 40 age bracket. But again, can this be a reason to fine those who do not have health insurance?

According to utilitarian thinking, fining uninsured people is justifiable. Chris Jennings points out that the US government approximates 15.4% of Americans were without health insurance in 2012. Of those uninsured Americans, nearly 60% could afford to insure themselves in 2014 (Jennings). The new ACA produces stability for a greater number of people without

threats which were mentioned earlier such as abusive insurance company practices, and with positive consequences for society.

Meanwhile, some people calculate the cost for health insurance and will choose to pay the penalty, which is cheaper than annual health insurance, for whatever reason. Though when those who are uninsured need emergency or catastrophic treatment, who is going to pay their medical fees? According to Seung Min Kim, these costs are actually covered by insured persons and their insurance costs are raised up to cover uninsured people's fees (Kim). This is not fair based on the idea of morality and human nature, as John Locke said that people should be treated equally.

Moreover, all Americans should be part of the health care system. Even people who do not need medical care at this point will eventually need it. Everyone is born in a hospital at least. Those who are rich may be able to pay for everything, but most Americans aren't in that situation. People who don't have enough money to pay off the medical bills may lose their house and assets. The U.S. Department of Health and Human Services introduced a case about medical related bankruptcy that shows the present condition of health care. According to this case, a woman named Cathy had a son with heart defect and he had to have surgery. She and her husband both had insurance but it wasn't enough to cover all of the expenses. As a result, they had to claim bankruptcy. She said that "I don't believe that any family, in the greatest country on earth, should be forced into bankruptcy in order to save a child's life" ("Because Everyone Deserves Options..."). Furthermore, according to Kos Media, medical related bankruptcies made up 60% of all personal bankruptcies based on 2007 estimates (Abrams). This number shows so many negative consequences for Americans. This cannot be accepted as utilitarian thinking. We can prevent medical related bankruptcy under the new ACA. As mentioned earlier, it is important to have insurance to run the health care system properly. Otherwise, health insurance

will be not affordable like in previous years. Therefore, for the benefit of most Americans, there is a need for a penalty. It's just like requiring insurance for driving a car.

However, some people think that fining uninsured people is not acceptable in view of Kant's theory. Some people simply cannot afford health insurance. It is not fair to fine poor people who can't pay. Depending on where one lives, there may be no money left for health insurance after paying for housing, food, transportation, and other necessities. According to Michael Ollove, "[p]eople have so little disposable income in New York City and other urban areas, but the law doesn't do geographic indexing" (Ollove). Their motives and actions are based on not bad or wrong ideas, they just cannot afford it. Kant's theory is focused on motive and action but consequences do not matter because consequences are not always in our control. Those people who cannot afford to pay health insurance might try very hard but the consequences are not what was intended.

Also, Kant said that people themselves have intrinsic value. This could be interpreted as people's health and life are important. If so, the government or medical institutions should cover all Americans' medical costs. Moreover, Kant said that people shouldn't be used as instruments. Even though the new ACA brings greater net happiness to Americans, to force them to be part of the system is an irrelevance. Fining people who are uninsured is a misguided way of solving a problem.

In addition, some people say that we have freedom of choice. Davis says that people who have a religious objection to insurance can be exempted from the new ACA ("Can You Get a Health Insurance Exemption?"). So, those people are exempt from the new ACA and will not be fined, then, why cannot other individuals be treated like them? This can be thought of as using Kant's first form. Kant thought that rules should be universal and there cannot be exceptions.

The existence of both types of people who are exempted from the law and those who have to be fined cannot be acceptable.

It seems like there are various perspectives about fining people who do not have health insurance under the new ACA. Perspectives of both sides are understandable. We could think that nothing is more important than health. Nevertheless, it is difficult for young people or people who have no experience to be unhealthy to see the importance of that to be a part of the universal health care system. I agree with Sorrell. She said that there are “significant differences in the priorities that Americans assign to [aforementioned] goals and important differences in beliefs and values” (Sorrell).

Overall, it is important to think about this problem from an ethical point of view. The government has responsibility to think always about what is the best thing to do for all Americans. Using utilitarianism seems like it is the best way to consider the problem. However, utilitarian thinking tends to ignore the minorities’ circumstances and dignity. Utilitarian and Kantian thinking are almost opposed to each other since utilitarianism focuses on consequence while Kant’s theory focuses on action and motive about an issue. It seems like there is no perfect solution, but in order to attain universal health care, whether to fine people who are uninsured is still an unanswered.

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