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Healthcare Plan

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The plan will address lifestyle choices of employees with the aim of maximizing their health and welfare. Health economics also remains an important factor in the determination of the plan. It states that employees’ health is linked to productivity and efficiency of the organization. The company will offer health insurance to the employees for ensuring high operational efficiency. The common services that the plan will cover include screenings, routine immunization, counseling, preventive services for children and women.

Keeping in view, the financial constraints it is appropriate to adopt a health reimbursement plan. This will include offering a tax-free allowance to the employees on a monthly basis that they can use for covering health expenses. The employees would be able to buy health care that includes health insurance policies. The employees will continue to benefit from the plan until they make purchases. The company's strategy will be to adjust insurance cost from the wages of employees. The amount that the company will spend on employees health insurance will be compensated for their wages. This reflects that the cost of health insurance will be more on the workers (Anand, 2016). The employers that offer health benefits to the employees manage to recruit and retain efficient workers. This will save the company from investing in the training and education of new employees.

Health economics also suggests that adoption of health insurance plan has positive impacts on organization due to the creation of effective workforce culture. The success of an organization is dependent on employees engagement and productivity. The evidence indicates that employees who receive better insurance benefits are satisfied with their work. Wellness benefits lower absenteeism and enhances productivity (Anand, 2016).

Implications of the Affordable Care Act

Provision of health insurance coverage to employees was not possible for the small companies before the Affordable Care Act. Affordable Care Act provides significant benefits to small businesses as over 5.7 million small business employees are enrolled in ACA. The act allowed many small businesses to stabilize health cost and provide coverage to employees. It helps the firms to acquire affordable and comprehensive health insurance plans. ACA is effective for organizations that have at least 50 employees. The act not only emphasizes on providing healthcare care insurance coverage to the employees but also to their families (Forbes, 2013).

Advantages

* The firm can receive a tax credit by offering health insurance to their employees. The company that covers 50 percent of the employee health coverage will be eligible for gaining the credit. The businesses would be able to buy insurance easily. Availability of tax credits with easy conditions has improved the company's capacity for providing insurance plans (Forbes, 2013).
* The Affordable Care Act gives a leverage power to the businesses. The insurance companies will not be able to raise premium without justifying their actions. The states hold the power of blocking unreasonable increases in premium. The act has thus acted more in favor of businesses than the insurance companies. This prevents insurance companies from exploiting their positions or putting excessive burdens on the employer.

Disadvantages

* The increase in the fee and Affordable Care Act taxes makes insurance plans expensive. The new fees introduced include insurer fee, risk adjustment fee, and transitional reinsurance fee. This means that the costs faced by the organizations will rise.
* The reporting and compliance requirements change more often that means the company will have to address them. The new rules and changes in the previous ones demand that the company ensure their compliance. This will cause inconvenience to the employers. The process is time-consuming that may affect organizational efficiency.

References

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