

Employer-Sponsored Health Insurance (ESHI)

Student's Name

Institutional Affiliation

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Employer-sponsored health insurance (ESHI) plays an essential role in financing healthcare in the United States. As illustrated by Schilling (2020), majority of Americans are covered by ESHI, and most of these individuals comprise of non-elderly persons. Furthermore, ESHI is dominant in the private health insurance market, and it accounts for a significant percentage of the market. ESHI does not only provide insurance coverage to employees and their respective families, but it also has an impact on the employment decisions of individuals. For instance, it allows people to choose whether they should work, what type of job to do, and the number of hours to work. In addition, ESHI is also beneficial because it enables the employer to split the cost of premiums with the employee. The premium contributions made by the employer are also not subjected to federal taxes, and contributions from the employee can be pre-tax, which lowers the taxable income.

Despite the role played by ESHI in providing affordable care, it also has some barriers related to accessing health services. According to Pigoja et al (2013), One of the barriers emanates from the fact that when insurance is tied to an employer, disruption in coverage occurs when employees change their jobs. Besides, employees are unable to access care during times of economic challenges such as recession. This is caused by the rates of unemployment that increase during recession, and the loss of jobs means that majority of Americans aged below 65 years cannot access health insurance.

After healthcare reform, ESHI has continued to provide services to employees notwithstanding the introduction of the Affordable Care Act (ACA). Additionally, employees are encouraged to become part of ACA and pay for health insurance plans, and this ensures that they receive quality health services. Wilensky (2015) asserts that after ACA was implemented,

employers changed their approach to HC insurance offerings. Small employers are no longer required to provide insurance to employees for the workers to get coverage. Besides, ACA led to a decline in the number of persons with employer-sponsored health insurance. The barriers to ESHI were overcome by stating that employers whose employees are more than 50 should provide insurance that meets specific standards. A policy that could help to improve access to ESHI is introducing a shared responsibility penalty. Based on this policy, failure to provide coverage or offering substandard coverage would lead to a penalty.

## References

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