

Health Insurance

- Proposed in 1694 by Hugh the Elder Chamberlen
- First U.S. health insurance: Franklin Health Assurance Company of Massachusetts, 1850

The Health Maintenance Organization Act of 1973

- Required employers with 25 or more employees to offer federally certified HMO options
- Designed to overcome moral hazard problem, doctors earning fees for procedures make more money if people are sick
- HMO doctors are salaried, each patient has a “primary” who serves as gatekeeper
- Yale Health Plan is an HMO, Yale employees can also choose Blue Cross, which is not

U.S. Emergency Medical Treatment and Active Labor Act (EMTALA) 1986

- Requires hospitals and ambulance services to provide care to anyone needing emergency treatment
- An “unfunded mandate”

U.S. Patient Protection and Affordable Care Act 2010 (Obamacare)

- Penalty for individuals not buying insurance
- Penalty for companies not buying insurance for their employees
- New insurance exchanges A health insurance exchange is a set of state-regulated and standardized health care plans, from which individuals may purchase health insurance that is eligible for Federal subsidies
- Insurance companies may not disallow for preexisting conditions, or drop people who get sick