



Written by [Michael Tennant](#) on July 12, 2013

Facing ObamaCare, Supermarket Chain Drops Part-Timers' Health Coverage

Thousands of part-time employees of the Wegmans supermarket chain have ObamaCare to thank for the impending [loss of their health insurance](#). The company recently informed its employees that beginning in 2015 — the year in which ObamaCare's employer mandate is [now scheduled to take effect](#) — only those employees working at least 30 hours per week will be eligible for employer-sponsored health insurance.



That is a significant change for the Rochester, New York-based chain. Currently Wegmans offers health insurance to employees working as few as 20 hours a week, a policy that has earned the company [plaudits](#) from numerous media outlets.

The Affordable Care Act (ACA), however, makes that policy unaffordable. The law mandates that employers offer health coverage to all employees working 30 or more hours per week — the new definition of “full-time.” In addition, the coverage offered must include a wide variety of benefits (including the controversial contraceptive coverage), which drives the cost up. Most of that increased cost must be absorbed by the employer since the law requires coverage to be affordable for employees, with “affordable” defined as no more than 9.5 percent of an employee’s total household income. Should an employee opt out of employer-sponsored coverage because it is “unaffordable” for him and instead buy subsidized insurance on an exchange, his employer will be assessed a tax penalty of at least \$2,000. Thus, under ObamaCare, Wegmans will be forced to offer increasingly expensive health coverage to all its full-timers plus its part-timers putting in at least 30 hours a week, and the company will have to pay most of the increased cost. That will surely be costly: The family-owned company has 81 stores in six states and “employs roughly 1,433 full-time employees and 4,304 part-time employees in the Buffalo Niagara region” alone, according to the [Buffalo News](#). All that extra expense will make it difficult, if not impossible, for the company to continue to offer coverage to its remaining part-timers, so it is terminating that benefit.

On top of that, the ACA actually *encourages* employers to drop coverage for part-timers. Low-wage employees whose employers do not offer insurance may instead be eligible for Medicaid — eligibility for which is being expanded by the law — or for subsidized coverage purchased through an exchange.

However, Sharon Brognia, a benefit consultant with Gallagher Benefit Services in Fairport, New York, told Rochester television station WHAM, “If a company chooses to offer benefits to an employee working under 30 hours a week it would disqualify that employee from getting a subsidy should they choose get a plan on the ... exchange.”

The subsidized coverage, moreover, may actually offer greater benefits at a lower out-of-pocket cost to the employee.

“It’s a win-win,” Brian Murphy of Buffalo insurance brokerage firm Lawley Benefits Group told the



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Buffalo News. “The employee gets subsidized coverage, and the employer gets to lower costs.”

Of course, while it may be a win for employers and employees, it is a loss for taxpayers. Those subsidies come out of their pocketbooks — pocketbooks that will be even emptier once they pay for their own insurance, which will also be [more expensive](#) under ObamaCare.

Wegmans is not the first company to announce cuts in health coverage for part-timers because of ObamaCare. “In February,” writes [Fox News](#), “Universal Studios Orlando announced it would drop medical coverage for part-time workers starting in 2014, due to a provision in the federal health care overhaul that would restrict annual limits on insurance policies.” Walmart, too, dropped coverage for newly hired part-timers who work fewer than 30 hours; and it [stepped up](#) its hiring of temporary workers, who need not be offered coverage under the ACA.

Other businesses have [cut employees’ work hours, laid off workers, or stopped hiring altogether](#) in an effort to evade the employer mandate.

“Even though the new health care law is requiring some changes, we are not going to do anything that will hurt our employees,” Wegmans said in a [statement](#) about the health insurance cuts.

If only Democrats in Washington had that same concern for the people they serve, Americans would not now be saddled with the unconstitutional monstrosity of ObamaCare.



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