Written by **Michael Tennant** on September 19, 2013

Home Depot Dumps 20,000 Employees Onto ObamaCare Exchanges

Add The Home Depot to the list of companies dumping part-time employees onto ObamaCare's insurance exchanges — and taxpayers' backs. According to the *Daily Caller*, the Georgia-based retailer announced that it is dropping health coverage for approximately 20,000 part-timers as a direct result of the Affordable Care Act (ACA).

"Unfortunately, the ACA precludes us from offering the limited liability medical plan we've been offering the part-time associates," Home Depot's director of corporate communications, Stephen Holmes, told the conservative website.

Like many other companies, Home Depot currently offers a low-cost health plan with limited benefits to its part-time employees. Such plans, however, are prohibited under ObamaCare, which requires employers to offer unlimited coverage with numerous mandated benefits and shoulder most of the cost of that coverage. In addition, the ACA requires employers to offer such coverage to all employees working at least 30 hours per week. Thus, the law simultaneously bans plans that both employers and employees could afford and forces employers to cover more people at a higher cost, giving them a great incentive to cover only those employees they absolutely must.

Those Americans who lose employer-based coverage are not permitted simply to go without insurance, however. The ACA mandates that individuals who do not have coverage through their employers purchase it on a government-run insurance exchange, which "requires people to buy insurance for a government-designed set of health-care services, including services promoted by corporate lobbies," notes the *Daily Caller*. "The insurance packages can be more expensive than sought by workers, especially younger workers, but the extra costs are partially offset by subsidies from other taxpayers."

With Home Depot's announcement, taxpayers will now be burdened with subsidizing coverage for an additional 20,000 or so people. (The company declined to state an exact figure.) This is on top of the thousands of others being dumped onto the exchanges by employers such as Wegmans supermarkets and Universal Studios Orlando. Other companies, such as Walmart, are refusing to cover new part-time workers, while still others are restricting employees' hours to avoid having to cover them at great expense. These individuals, too, will be seeking out subsidized coverage next year.

This trend cannot be a good thing, the *Daily Caller* observes:

> The accelerating shift of workers to Obama's taxpayer-funded network will likely drive up costs to taxpayers, disadvantage companies that try to pay for their employees' health-care and make more voters dependent on health-care decisions made by Democratic officials and legislators.

The switch is also making a mockery of Obama's promise that Americans would be able to keep their pre-Obamacare insurance if they prefer.

"If you like your health care plan, you'll be able to keep your health care plan, period. No one will take it away, no matter what," he said in June 2009.

Other companies are not yet dropping coverage altogether but are taking other cost-cutting measures in anticipation of ObamaCare's implementation. Illinois-based Walgreens, for example, just announced that it will no longer be offering health insurance to its 160,000 eligible employees in the traditional fashion. Instead, the company will make a flat contribution toward each employee's purchase of insurance in a private exchange. The exchange will offer the employee a choice of plans from several different insurers. The employee will then be responsible for making up the difference between the premium for the plan he selects and the amount contributed by his employer — an amount not guaranteed to rise as fast as the premium in subsequent years.

According to *Forbes*, Walgreens is the 18th large employer in the country to adopt the private-exchange model. Companies are switching to this approach to help limit their share of ever-rising healthcare costs. While healthcare inflation long predates the ACA, Hot Air's Ed Morrissey points out, "If employers like Walgreens expected ObamaCare to actually control costs, they wouldn't be dumping employee coverage."

Companies are, in fact, expecting the ACA's mandates to drive costs even higher — another good reason to get out of the business of insuring their employees. "Aside from rising health-care costs," writes the *Wall Street Journal*, "[Walgreens] cited compliance-related expenses associated with the new law as a reason for the switch."

Businesses aren't alone in foreseeing higher healthcare costs under ObamaCare. In its most recent forecast, the Congressional Budget Office (CBO) projected that federal healthcare spending would grow by 74 percent over the next 25 years. But considering that by the end of its first 25 years Medicare was nine times as expensive as originally projected, there is an excellent chance that the CBO is vastly underestimating how fast healthcare costs will increase over the next quarter century, especially with the advent of ObamaCare.

Shifting employees to private or public exchanges, therefore, would appear to be the wave of the future. No matter which exchange employers choose, someone — either the employee or the taxpayer — is probably going to pay more and get less. And in keeping with Ron Paul's dictum that a law will accomplish the exact opposite of that which its name implies, that is precisely what one would expect from the Affordable Care Act.

Photo of Home Depot store: AP Images