



Written by [William F. Jasper](#) on October 29, 2013

ObamaCare Killing Employer-sponsored Health Insurance — Millions Affected

Home Depot, GE, Trader Joe's, Walgreen, IBM, and Time Warner are just a few of the major corporations that have announced they will stop sponsoring health insurance plans, either for current employees, retired employees, or both. Those workers who were formerly covered under these plans will have to find new coverage from the tax-subsidized ObamaCare exchanges or private exchanges.



This is certain to impact millions of American workers. Millions more will feel the pain of the ObamaCare mandates, as businesses of all sizes cut the number of full-time employees and cut the hours of part-time help to avoid the costly premiums ObamaCare will impose on all Employer Sponsored Insurance (ESI) plans for businesses with 50 or more employees. Even though the Obama administration agreed to delay ObamaCare's employer mandate until 2015, many companies are moving now to avoid facing punitive actions from the government later. Big companies, understandably, make the headlines when they announce plans to lay off workers or cut hours or benefits. But far more workers are likely to be affected by the small- and medium-sized companies that are being forced to make similar decisions for the same reasons.

The *Orlando Sentinel*, for instance, reported on October 2 that Disney World's health insurance plan for its 24,000 part-time workers will be illegal next year under the the Affordable Care Act (ACA), also known as ObamaCare. Disney is expected to drop insurance altogether for part-timers, matching moves by two other employment giants in the Orlando area, Universal Orlando and SeaWorld.

As *The New American* reported last week (["ObamaCare Causing Millions of Americans to Lose Their Current Health Plans"](#)), as many as 16 million Americans who currently have purchased their own health insurance policies are likely to lose their existing health care plans due to ObamaCare mandates. Hundreds of thousands of policy holders, we noted, have already received notice from their insurers that their policies are being canceled. And, contrary to the promise of President Obama, Nancy Pelosi, and other champions of the ACA, replacement policies under ObamaCare are proving to be much higher in price and to include even bigger out-of-pocket deductibles.

As we have noted previously, a U.S. House Committee on Energy and Commerce study entitled ["The Looming Premium Rate Shock,"](#) which was released in May, provides stunning information on the expected premium hikes that will be caused by implementation of the ACA. According to the committee's findings, "consumers purchasing health insurance on the individual market may face premium increases of nearly 100 percent on average, with potential highs eclipsing 400 percent." Meanwhile, "small businesses can expect average premium increases in the small group market of up to 50 percent, with potential highs over 100 percent." These are just a few of the grim realities mentioned in the report.

However, private businesses are not the only entities that will be dropping their insurance and cutting



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hours, in order to meet the ACA mandates. The *Washington Post* [reported](#):

The Fairfax County Water Authority said that it will likely drop insurance coverage for its nearly 400 employees if taxes on generous health-care plans take effect as planned in 2018 under the federal Affordable Care Act.

The public utility, a quasi-governmental entity that provides water to 1.7 million Northern Virginians, said that the tax would eventually cost it millions of dollars a year.

"It is irrefutable that the ACA is fatally flawed," wrote Burton Jay Rubin, chairman of the Fairfax County Water Authority's government relations committee. "If it is intended to make health care coverage available to those who do not have it, it does so only by jeopardizing the coverage earned by those who have it."

Like many other executives, Rubin has concluded that it will be cheaper for the utility simply to pay the \$2,000 fine it would be penalized for each employee it fails to cover, than to pay the expected \$13,450 to cover each individual and \$33,300 per employee family for coverage by 2018. "If we provide our workforce with no health care coverage, we merely pay the Government \$2,000 for each employee," Rubin wrote.

That is the same calculation that many other employers will be forced to make.

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