Written by **Raven Clabough** on April 3, 2014

Study Shows ObamaCare Will Dramatically Increase Healthcare Costs for Businesses

As the Obama administration continues to field criticisms over the disastrous last day for healthcare enrollment on the government website, a new survey relays details that are sure to cause further trouble for ObamaCare advocates.

According to the survey by the American Health Policy Institute, the cost of the new healthcare law for large companies ranges from $4,800 to $5,900 per employee, in addition to the millions of dollars in overhead costs. The healthcare law adds mandates and fees and other regulatory burdens that will cost employers anywhere from $163 million and $200 million in 2016, four percent more than what they are currently paying. By 2023, that increase will jump to eight percent.

The Washington Free Beacon reports, “The American Health Policy Institute conducted a confidential survey of 100 large employers — those with 10,000 or more employees — asking what costs they expect to incur from Obamacare over the next decade.”

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“This study is a c-suite diagnosis of how [the Affordable Care Act] is shaping large employer behavior,” said Tevi Troy, president of the American Health Policy Institute. “We don’t know yet precisely how employers will react, but the study shows that employers will have to make real changes or incur heavy costs, which means that the ACA will have a significant impact on those in employer-sponsored healthcare.”

The study concludes that these increases could determine how employers provide healthcare for their employees, maybe even prompting some companies not to do so.

This is just one of a number of studies that have found that ObamaCare is increasing the financial burdens of businesses.

A report by the Urban Institute determined that ObamaCare raised healthcare costs for large companies by $11.8 billion in 2012. Likewise, the Joint Committee on Taxation estimated that the excise tax on high cost plans would cost $32 billion between 2018 and 2019.

But the American Health Policy Institute’s study was the first to ask companies directly what their new costs would be as a result of ObamaCare.

“Specifically, the study looked at direct costs to companies from the ACA’s requirements, over and above projected employer health care cost trends without the ACA,” the study said. Some of the direct costs resulting from the law include the excise tax on "Cadillac" plans and benefit mandates, such as covering 100 percent of preventative care services.

"In light of the uncertainty related to projected ACA-related savings, this study provides an important look into what America's employers themselves believe will happen, and presumably, what projections they will use in determining future benefit designs, as well as employment strategies," the study concluded. "The results of this study demonstrate that employers have a significant incentive to make fundamental changes to their health offerings as a result of the ACA."

Only then, the study notes, have companies indicated that they will reduce healthcare costs.

The study confirms what critics have said about the healthcare law since prior to its passage. But these findings have not stopped the president from running a victory lap this week, announcing that the healthcare law is "here to stay."

"This law has made our health care system a lot better. A lot better," Obama said at a White House briefing. "Regardless of your politics, or your feelings about the law or your feelings about me, that is something that is good for the economy."

Critics disagree. Not only have costs increased, but the law has failed to achieve its alleged primary purpose: to insure the uninsured. In fact, the increased costs of healthcare resulting from the law have served to create a whole new group of uninsured Americans.

Newsmax reports:

> A new subset of uninsured people is finding it doesn't fit into any of the affordable healthcare plans offered through the Affordable Care Act.
>
> Many middle-class Americans are falling through the cracks after being dumped into the Obamacare marketplace. They can't get a subsidy because they earn too much, and they can't find an insurance plan they can reasonably afford, forcing some to make a tough decision: to go without health insurance.

Those impacted are mostly young and healthy and therefore tend to opt out of health insurance, which will certainly negatively impact the costs associated with ObamaCare.

Americans between ages 18 and 35 were the most desirable for the administration since they are mostly healthy, and the White House had set a goal for one-third of the enrollees to fall into that category.

According to the *Boston Globe*, "The vast majority of those signing up to date were previously covered, a travesty given the bill's 10-year cost of over $2 trillion."

The *Globe* continues,

> From there, the math only gets worse. Each year, millions of uninsured Americans find coverage through a new employer, Medicaid, or other means. In fact, the number of uninsured has fallen every year since peaking after the 2008 recession. Many of the 1.2 million newly insured through the exchanges likely would have found coverage regardless.

Likewise, even assuming that the government's claims that seven million people have signed up by the deadline is correct, not all of those individuals can be calculated in the final tally if they did not pay for their plans at signup. Goldman Sachs analysts contend that approximately 20 percent of those who sign up will not follow through, bringing the number of enrollees closer to 5 million, approximately the same number of Americans who have had their coverage cancelled.

A survey published by the consultancy McKinsey & Co., found that just 27 percent of new enrollees were actually uninsured before signing up for insurance. Further, just one in 10 Americans who are eligible for ObamaCare have chosen to enroll according to McKinsey.

A Gallup Poll reveals that though the number of uninsured Americans has dropped from 17.1 percent at the end of 2013 to 15.9 percent today, the number was actually lower before Obama took office, standing at 14.4 percent.

And as far as the healthcare law being "good for the economy," Congressional Budget Office Director Douglas Elmendorf testified before the House Budget Committee on February 5 that ObamaCare provides a "disincentive for people to work." Elmendorf's statement follows a controversial report released by the Congressional Budget Office that provides details on how millions of workers would cut their hours and opt out of the job market in order to retain the benefits provided by the healthcare law.

The Congressional Budget Office is a non-partisan governmental entity that serves to forecast the impact of governmental policies on future government revenues. Its findings on the economic impact of ObamaCare are disheartening.

Fox News reported, "The CBO report on Tuesday effectively found that more people would opt to keep their income low to stay eligible for federal health care subsidies or Medicaid. The workforce changes would mean nationwide losses equal to 2.3 million full-time jobs by 2021, the report said."

A law that costs $2 trillion, increases healthcare costs for individuals and businesses, and no more reduces the number of uninsured than it increases the number of uninsured may not be worthy of a victory lap.