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September 24, 2013

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How does ACA postponement affect you?



By Rob Wilson

Since its inception, the Affordable Care Act has been riddled with ambiguous loopholes and ever-changing deadlines. In fact, deadlines on Obamacare have changed not just once, but multiple times in recent months.

First, it was discovered that the Obama administration was delaying cuts to Medicare until after the election in 2015. It was a move that cost the country upwards of 8 billion dollars, and one that many critics considered to be questionable and self-serving. Second, Obamacare delayed the employer mandate requiring businesses with 50 employees or more to provide health insurance to their staff. Employers who did not adhere to this new policy would be charged \$2,000 per uninsured employee. These penalties were set to go into effect in 2014, however, the Obama Administration recently announced that employers will have an extra year before facing penalties for not providing health insurance to clients. Hence, employers now have until 2015 to figure out insurance options for their employees. The Obama administration said that they hoped this extra time would help employers to figure out the best insurance plan for their company, but many feel that it's just another way for the government to buy time as they try to figure out the myriad of issues that are embedded in the Affordable Care Act. Instead of scrambling to find an insurance plan, many employers are considering dropping their employees' hours so that they can limit their number of full-time staff and avoid costly health insurance plans. That means that many families will be forced to have working parents with not one but two jobs...and still no insurance.

The latest Obamacare delay is for the provision that puts caps on out-of-pocket insurance costs. Previously, employers were required to have a health insurance plan that put caps on individual spending by 2014. Employees were to spend no more than \$6,350 on their health insurance plan. The Obama administration is now extending employers an extra grace period of one year (2015) to get in line with this provision.

What does this mean for employers and employees? Sadly, it's another delay that will be harmful across the board. With this latest delay, employers can select an insurance plan that has higher out-of-pocket spending or even an insurance plan that does not place a cap on individual spending. This means that employees might now get stuck with a high-cost insurance plan for the next year, potentially spending thousands of dollars out-of-pocket on their healthcare. Numerous organizations have already seen their out-of-pocket expenditures skyrocket, and everyone from college students to families have seen their healthcare costs become an expensive luxury...if not completely unaffordable.

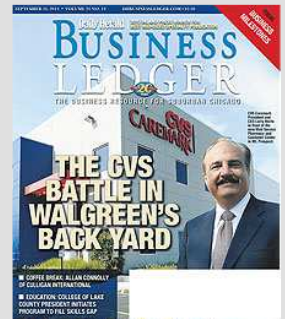
Employers, on the other hand, will continue facing exorbitant costs as they try to find ways to insure their staff without breaking the bank. More importantly, the reality is that this extra money is going to have to come from somewhere. Placing caps on insurance plans and limiting lifetime spending might sound great in theory, but the flip side is that this move will drive the cost of premiums through the roof. Hence, employer insurance plans and individual-purchased insurance plans are going to become gradually more expensive until companies and individuals are simply priced out of the healthcare system.

The numerous delays in the enforcement of the Affordable Care Act have been for many reasons, but sadly these reasons have always been for the good of the Obama administration rather than the good of the country as a whole. This latest delay in caps on out-of-pocket spending is just another way for Obamacare to hide its many issues and fly under the radar.

• Rob Wilson is president of *Employco USA Inc.*, a human resources outsourcing company headquartered in Westmont.



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