

Affordable Care Act Brings Differing Prognoses on What It Means for Jobs

Some predict the widespread elimination of full-time jobs, but others see opportunities for new businesses and growth.

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There is no shortage of views when it comes to health care reform's effect on the job market. Some experts predict dramatic dips in full-time jobs as employers try to sidestep certain legal mandates while others see increased demand for workers in health care, information technology, finance and other professions needed to support the vast numbers of newly insured.

The Affordable Care Act of 2010 — and its requirement that companies with more than 50 full-time employees provide affordable health care coverage or pay penalties — has led many critics to predict the widespread elimination of full-time jobs for part-time positions. Others see opportunities for new businesses and growth in certain professions.

But given that the mandate doesn't take effect until 2015, it's hard to know what lies ahead, according to John Challenger, CEO of Challenger, Gray & Christmas Inc., a Chicago-based outplacement firm.

"We don't really know yet what the ACA's impact will be on jobs, but we do know that it means a sea change in the way companies do business," he said. "For the health care industry, there will be a large amount of work that will be flowing in their doors, and there will be new kinds of companies and services emerging. It's the perfect time for a new kind of experts to come in and offer support. When there is a sea change, there are also lots of opportunities."

Challenger points to dramatic changes in medical billing and the demand for information technology workers. He predicts that the need to integrate data, like insurance claims and patient records, across the health care system will likely create new opportunities in IT. Under the ACA, insurers will pay doctors and hospitals based on the quality and outcomes of the care they provide, and that will require the integration of tremendous amounts of data.

Benefits consultants are also likely to see an uptick in demand for their services as employers navigate the new world of health care reform, he said.

One industry that is bracing for record growth as 2015 approaches is the human resources outsourcing industry.

For Rob Wilson, president of Employco USA Inc., an HR outsourcing firm based in Westmont, Illinois, 2013 was a banner year.

"We're up 30 percent in 2013 from 2012 in terms of the number of employees we serve and revenue. And in 2012 we're up 14 percent from 2011," he said. "As much as everyone doesn't like Obamacare, it's been good for our business and our industry."

Employco, which serves 20,000 employees, according to Wilson, helps clients comply with the ACA, in addition to handling the day-to-day aspects of HR.

The temporary staffing industry is also expecting to see a spike as a result of the ACA as workers see temp jobs as a viable alternative to full-time work now that they can purchase health insurance through the public exchanges, according to a recent study by Randstad Holding, the global recruiting firm.

The law "may effectively remove a traditional barrier to choosing a temporary career path, drawing unprecedented numbers to the industry," the report reads. According to the study, 33 percent of workers surveyed said they are more likely to pursue a career as a contingent worker if they had access to affordable health insurance provided under the ACA.

"We haven't seen a huge uptick yet, but that's our hope and that's what we've been hearing from employers," said Leigh Dobbs, director of compensation and benefits at Randstad. "When it comes to reform, it's still a wait and see situation."

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