

Affordable Care Act: the impact on business

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ABSTRACT

This study focused on the impact that the Affordable Care Act has had on businesses. The research looks at how employers were influenced by this law and how they changed their employee benefits and hiring decisions within organizations. The research focused on senior human resource leaders within a variety of organizations, with a high percentage of respondents from higher education and non-profit industries. The employer mandate portion of the Affordable Care Act is new to employers who employ over 50 full-time equivalents. Changes that businesses have made to employer-sponsored benefit plans and decisions to hire full-time or part-time employees were determined.

The results reveal the Affordable Care Act has influenced decisions made by employers as they made decisions to change benefits offered to employees and the number of employees businesses expect to hire in the next twelve months. In order to control costs associated with the Affordable Care Act, some organizations are either reducing working hours or changing benefits offered.

The results support recommendations that require support of Congress and the President. The increase in costs and the reduction of full-time hiring in the next twelve months inform the need for changes in the employer mandate, the redefinition of benefit eligible, and the elimination of fees. These changes must come in the form of amendments to the law. The negative feelings that many organizations have towards the Affordable Care Act, including the impressions that the law has negatively impacted their employees directly, only support the need for a change in the law.

Key words: Affordable Care Act, increased costs and penalties, burden, benefit reductions, staffing reduction.

INTRODUCTION

The Affordable Care Act was a significant bill, enacted into law in March 2010, with the goal of providing accessible and affordable healthcare for all Americans. The increase in healthcare costs, insurance premiums, and the significant numbers of uninsured individuals, created the impetus for Congress to change the national healthcare system.

The Affordable Care Act imposes fees and taxes on businesses of all sizes which raises questions about the impact that the law will have on employment. The concern, shared by the business community, is the increased costs directly related to the Affordable Care Act (Troy & Wilson, 2014). These include, but are not limited to: increased cost of premiums under the Reinsurance Fee and the Insurer Fee; the Patient-Centered Outcomes Research Fee; the increased enrollments for employees who work over 29 hours; and the potential reduction of full time employment opportunities (IRS, 2012). These fees are annual fees which are made payable to the Internal Revenue Service, and are part of how the insurance exchanges and other funding for the Affordable Care Act are being paid for. In total, the estimated increase in premiums directly attributable to these costs for employer-sponsored plans is approximately 4 percent (UHC, n.d.). Annual premium increases are not included in this estimate.

With such a burden to meet the requirements of this law, many organizations are evaluating if offering employer-sponsored insurance plans is a wise business decision (Blumberg, Buettgens, Feder, & Holahan, 2012). Understanding the impact to businesses will explain the impact on individuals regarding their health insurance costs and the benefit levels available to them now and after the employer mandate begins.

The Affordable Care Act has many mandates outlined within the law. The employer mandate, which is scheduled to be effective as of January 1, 2015, requires employers with greater than 50 full time equivalents, to provide insurance to their full-time employees or pay a per month penalty. This mandate has forced employers to look at their business practices on hiring in total, but specifically when to hire full-time employees or part-time employees. The Affordable Care Act defines a full-time employee as one who works 30 hours or more (Day, 2010)

THE PATIENT PROTECTION AND AFFORDABLE CARE ACT

The Affordable Care Act is a comprehensive health care reform law that focuses on controlling health care costs, expands access to coverage, and attempts to improve the health care system as a whole. The major provisions include the elimination of lifetime annual limits on benefits, elimination of any out-of-pocket cost for preventative services, extension of coverage for dependents up to age 26 to stay on their parent's plan, and prohibition on pre-existing condition exclusions. Several of these provisions impact employers' costs when carriers develop employer-sponsored premiums for employers.

The law also focuses on the expansion of Medicaid to "all non-Medicare eligible individuals under age 65 with incomes up to 133% FPL (Federal Poverty Level) based on modified adjusted gross income" (Kaiser Family Foundation, 2013). The Affordable Care Act also requires states to maintain the Children's Health Insurance Program (CHIP) through 2015. States have an option to expand Medicaid. If they opt to expand, they will receive an increase in Medicaid payments for specific services and other primary care services provided to patients. If a state does not expand Medicaid and an individual is denied Medicaid coverage, these

individuals will then be exempt from the individual mandate and not be required to pay a penalty (ObamaCare Facts, 2015)

To improve access to health insurance, the Affordable Care Act includes the development of Health Benefit Exchanges, what many refer to as the “exchange” that allow individuals to purchase coverage through a marketplace. Each state was required to open their own exchange or opt into the federal exchange. Through the exchange, individuals will qualify for tax credits depending on their income level. United States citizens and legal residents who do not have qualified coverage and are not otherwise exempt will be responsible for a tax penalty. The tax penalty will be phased-in and begins during the 2014 tax year. The tax penalty is \$95 in 2014, and increases in 2015 and 2016 to \$325 and \$695, respectively or 1% of taxable income in 2014, 2% in 2015 and 2.5% in 2016. After 2016, the penalty is adjusted annually by the cost-of-living (Kaiser Family Foundation, 2013).

In addition to the individual mandate there is also an employer mandate. Employers with 50 or more full-time equivalent employees are required to offer health care coverage to a substantial number of full-time employees. The law defines substantial number as 95% of all full-time employees. Employers who choose not to and that have an employee receive a tax credit through the insurance exchange will be penalized \$2,000 per full time employee, excluding the first 30 employees, or \$3,000 for each employee receiving a tax credit, whichever is less (see Figure 1.1). Another requirement under the employer mandate is that the healthcare is affordable. Affordable insurance for an employee is defined as the cost of single coverage that is 9.5% or less than the employee’s adjusted gross income as reported on the W-2 form (Patient Protection and Affordable Care Act, 2010). The employer mandate is complex. One of the main concerns for employers is to remain in compliance and to avoid penalties. Even one employee receiving a tax credit from an employer who is required to offer health care insurance will trigger a penalty (see Figure 1.1).

Not all of the regulations have taken effect. However, organizations are, as of this writing, meeting the requirements under the employer mandate, which took effect on January 1, 2015. Other regulations of the law will continue to be enacted through 2018.

POTENTIAL IMPACTS OF ACA ON BUSINESS DECISIONS

Benefit Coverage

When first enacted, many believed the law did not increase costs for businesses. Today, we know that healthcare and related costs have increased. Employers have seen an increase in healthcare premiums and fees related to the Affordable Care Act, such as the Patient-Centered Outcomes Research Trust Fund fee and the Reinsurance Fee. However, there is no indication within the literature about whether jobs have been lost or whether there have been delays in businesses expanding their employee count based on the Affordable Care Act (Troy & Wilson, 2014).

There is some evidence that employers have reduced the level of benefits offered to employees (Troy & Wilson, 2014). Research conducted by the Urban Institute shows that employers have eliminated offering health care benefits to employees working below 30 hours a week, while others have reduced hours for part time employees to ensure they are below the 30-hour trigger for mandatory health insurance coverage under the Affordable Care Act (Blumberg,

Holahan, & Buettgens, 2014). This change in working hours for workers will reduce their earnings.

Organizations also wonder what the impact will be on their enrollments in the employer-sponsored plans and if making changes relative to cost sharing will include a loss of enrollment to the insurance exchange market (Haight & Ahrens, 2013). The Urban Institute has found that there are many large firms eliminating part-time employee's health care eligibility thinking that the employee will be better off enrolling in coverage through the marketplace to receive subsidized coverage (Blumberg, et al, 2014). The regulations under the Affordable Care Act that employers are required to adhere to offer benefits to any employee working over 29 hours is a new concept to many organizations. We are now unable to predict with any reliability how businesses will make these future business decisions for hiring or providing benefits to employees. With the Affordable Care Act still in the early implementation, there is no theory that would predict the behavior of employers or employees and their enrollment decisions.

Beyond the actual costs paid by employers, such as the Patient-Centered Outcomes Research Trust Fund fee and the healthcare surcharge for health insurance providers, the employer mandate delay has not yet forced employers to make tough choices. During an interview with management at United Parcel Service (UPS), I discovered that the organization was changing the requirements to enroll families of employees in employee-sponsored healthcare plans as of January 1, 2015. With the employer mandate effective January 1, 2015, UPS will no longer be allowing spouses to be on the employer-sponsored plans if they qualify for insurance through their own employer (Wood, 2014). Although the interview was with one organization, there are other organizations making these types of changes to benefits and who they will allow to enroll (Learner, 2013). The Affordable Care Act does not require that spouses be covered under the employer plans. Instead, the law appears to have provided employers reasons to stop providing coverage they have historically given. This type of change will affect families, as well as smaller businesses, who may not have planned to have these additional employees on their healthcare plans.

Beyond the impact on businesses, individual families may be faced with increased out of pocket costs if they are forced off the employer-sponsored plan. Needing to meet the individual mandate increases the enrollments on the insurance exchange side for those who must come off their spouse's employer group plans. As spouses come off their partners' employer health care plans, the mandate requires they be enrolled in a qualified health care plan. Their choice is to either enroll in their employer's plan, or enroll in one of the plans through the insurance exchange. The Congressional Budget Office found that there would be fewer individuals receiving employment-based health insurance (Banthin & Jacobs, 2012). These reductions are expected as employers consider eliminating their insurance plans. It is not known how many employers will do that, with the decision heavily dependent on the tax subsidies and how they will affect these employees. As employers discover how their employees will access the insurance exchanges or other programs outside of employment-based health insurance, they will begin to make decisions to offer health insurance or not.

In addition to the cost impact, the level of benefits that employers are contemplating has changed. The Affordable Care Act requires certain levels of coverage, including preventative care, elimination of pre-existing conditions, and elimination of waiting periods. These changes are forcing some employers to reconsider their offerings to employees, and others are reducing the coverage they offer (Eibner, et al., 2010). According to a CFO Alliance survey, conducted in December 2014, over 51.4% of participating organizations reported they will be making changes

to their health benefit offerings because of the Affordable Care Act (The CFO Alliance, 2015). Several organizations will be reducing coverage to avoid the upcoming “Cadillac” penalty (Piotrowski, 2013). Some employees are offered various levels of benefits by their employers and opt to enroll in the high cost plans, so called “Cadillac plans.” These high cost plans will be taxed in 2018, or in many cases, employers will eliminate the rich plans altogether to avoid the additional tax (Piotrowski, 2013).

Costs

A recent survey did find that employers costs have increased due to the Affordable Care Act regulations and employers predict continued upward pressure on the costs of employer-sponsored medical plans (Wolter Kluwer Law , 2014). Employers have taken on a variety of other costs or fees since the Affordable Care Act has been enacted. These include the Patient-Centered Outcomes Research Trust Fund fee annual fee on health insurance providers, transitional reinsurance fee, and the excise tax on high cost health insurance, otherwise known as the “Cadillac Tax.” These fees do not account for increased premiums already passed to employers. The estimated increase in employer sponsored health care premiums is expected to be between 1% and 4% due strictly to the Affordable Care Act (Troy & Wilson, 2014).

Penalties

There is concern over the impact that penalties will have on any size organization. The decision to continue offering healthcare or pay the penalty continues to be a discussion in a number of businesses. With the cost of healthcare per employee significantly higher than the penalty, employers continue to look at the costs versus benefits between offering the insurance and paying the penalty (Blumberg, Buettgens, Feder, & Holahan, 2012). According to a survey by Cherry Bekaert Benefits, 49.1% of employers made changes to the benefit packages they offer to their employees to reduce costs (Wolter Kluwer Law , 2014). In the survey conducted by the CFO Alliance, 1% of the respondents who are required to offer healthcare benefits to their employees reported they will opt to pay the penalty (The CFO Alliance, 2015). The CFO Alliance conducted this survey to evaluate how Chief Financial Officers feel about the economy and included several questions relating to the Affordable Care Act. With approximately 600 respondents, this is a small number of organizations; however, if this question was distributed on a wider scale and 1% still opted to pay the penalty, the number of organizations and their employees may be significant.

ADMINISTRATIVE BURDEN

The survey conducted in this study also found employers frustrated with the administrative burden of the law. In order to meet the requirement and offer health care benefits to any full-time employee working over 29 hours a week, many organizations have been forced to develop new processes, reduce hours, hire additional staff, and monitor employees classified as part-time employees to ensure compliance. In addition to these new administrative tasks, employers have had to add information to employees W-2 forms such as the cost of health care premiums paid by the employer (IRS, 2014). Additional reporting to the federal government has

already begun and with new reporting requirements due by the end of 2015 (HMS Healthcare, 2012).

POTENTIAL RESPONSES BY INDIVIDUALS

In February 2014, the Congressional Budget Office issued the Budget and Economic Outlook 2014-2024. This report looks at the estimated number of workers who may quit their jobs or voluntarily reduce their hours because access to health insurance is no longer tied directly to a full time job. Subsidies now offered for required health insurance, increase income and therefore, is not a strong incentive to be in the workforce (CBO, 2014). The updated projection that over 2 million workers will leave the full time work force presents a problem for the labor market that was not part of the early debate of the Affordable Care Act. The law reduces subsidies when individuals increase their income. Therefore, many workers consider working less and receiving the greater subsidy, since they consider a reduced subsidy a penalty or tax on the income (Goldfarb & Goldstein, 2014). The impact of this revised estimate of lost workers is a concern for businesses as they review options to offer health insurance or keep hours low to avoid fines for not offering insurance.

Description of the sample

The survey produced 147 responses and nine one-on-one interviews. The survey responses represent a variety of industries from all areas of the United States. The Midwest and South accounted for almost 50% of the responses. Organizational size, by employee count, also varied with the majority of organizations having more than 100 employees. The average number of employees among respondent's organizations was 1,144. The Affordable Care Act requirements vary for employers under 50 full-time equivalent and for those employers with greater than 50 full-time equivalents.

The survey produced 61.9% of responses from higher education and 25.2% of responses from the non-profit industry. The healthcare and professional services industries produced 2.7% and 2.0% responses respectively. Other industries with one or two responses are manufacturing, insurance, technology, and construction.

Table 1 provides details of the major demographic data, industry, size of organization, and geographic location. The interviews were conducted with individuals who volunteered for a one-on-one phone interview. A total of twelve individuals volunteered to be interviewed and nine interviews were completed.

Costs and Fees

The costs and fees associated with the Affordable Care Act is a concern for over 69% of the respondents, and 15.6% indicating no increase in costs associated with the law. Cross-tabulation analysis show that 75.6% of non-profit organizations and 66.6% of higher education organizations reported increased costs due to the Affordable Care Act regulation.

These organizations have experienced increased costs in several categories, such as the Patient-Centered Outcomes Research Trust Fund fee, Reinsurance Fee, and employer sponsored healthcare premium increases (see Figure 1). According to the survey, 16.3% of the respondents indicated there were other increases in fees, while 8.8% were unable to indicate the type of cost

or fee. The other costs/fees noted by survey respondents included additional individuals enrolled in employer-sponsored healthcare plans and tax payments.

A review of increased costs related to the Affordable Care Act by geographic location did not show any significant trend. The highest impact on costs related to the Affordable Care Act was in the South at 77.5%. The Midwest and the Northeast at 75.0% and 63.6% respectively show an increase in costs by organizations related to the Affordable Care Act (See Table 3).

Hiring and Staffing

In this survey, 37.4% of the respondents indicated that they have made changes to their hiring practices because of the Affordable Care Act (see Table 4.4). The changes noted by the survey respondents include limiting the number of hours worked by part-time employees. Over 12% of respondents have changed their hiring decisions and now hire a majority of part-time employees in lieu of full-time workers. These survey respondents limited part-time hours for employees between 25 and 29 hours per week and did not hire full-time employees unless they included the cost of benefits in the decision making process. One respondent did indicate that they were hiring full-time employees in lieu of part-time, although in a limited way, while another indicated changing the organization definition of benefits eligible to match the Affordable Care Act definition. Over 62% of survey respondents reported that they did not change their hiring practices because of the Affordable Care Act (see Table 4).

Results from a cross-tabulation analysis of changes in hiring practices by industry reveal that 41.1% of higher education organizations made changes in their hiring practices (see Table 5). The interview participants, representing higher education institutions, further explained that these changes in hiring practices were directly related to how the industry was looking at adjunct faculty hires because of the Affordable Care Act. The non-profit segment reported that almost 30% made changes in hiring practices and 35% of all other industries who responded to the survey reported changes in hiring practices.

Seventy percent of respondents reported hiring employees during the prior twelve months and 53% reported a plan to hire employees over the next twelve months, a decrease of over 17% (See Table 6). Among those who report decreasing their hiring, 45.8% of respondents will reduce full-time hires and 39.3% plan to reduce part-time hires. Of those organizations who indicated the Affordable Care Act had influenced their hiring practices, 75% indicated a decrease in hiring over the next twelve months compared to the prior twelve months.

One hundred four respondents reported hiring employees in the prior twelve months and only seventy-eight reported a plan to hire employees in the next twelve months (see Table 6). The survey data results indicate a decrease in the hiring of full-time and part-time employees, with the largest decrease in full-time hiring.

The results from the survey show that 70% of respondents increased hiring in the previous twelve months compared to 53% who plan to hire in the next twelve months (see Figure 2). The number of organizations who decreased hiring in the prior twelve months is higher than those who plan to decrease hiring in the next twelve months.

Further analysis using a cross-tabulation table showed that 37.8% of non-profit and 43.3% of higher education organizations were influenced by the Affordable Care Act in how they would make hiring decisions between full-time and part-time hires (see Table 7).

Employee Benefit Plans

Due to the regulations of the Affordable Care Act, greater than 39% of survey respondents have changed the benefit plans offered to their employees (see Table 8). There were different reasons given for making changes to their benefit plans. Approximately 10% indicated their organization was influenced by two or more reasons to make changes to their employer-sponsored health insurance benefit plan. Over 61% of respondents reported that their organization was not influenced by the Affordable Care Act to make any changes to their employer-sponsored health insurance benefit plan.

The data collected indicated there were two major changes to benefit plans noted by respondents. The most common changes were increased deductible levels or co-pays that employees are responsible to pay for. The results of the analysis shows 38% of respondents adjusted the deductible levels within their health insurance plans, while 35% increased the co-pays employees were responsible (see Figure 3). Only 5% reported adding a Health Reimbursement Account, however, 22% reported other changes in benefits such as adjusting cost-sharing, prescription changes with co-pays, and increasing out-of-pocket expenses. The other changes noted by survey respondents include the excise fee for high cost plans known as the “Cadillac Tax” the need to control overall costs, and increased administrative costs to manage the Affordable Care Act regulations.

A cross-tabulation review indicates that 51.3% of non-profit organizations and 30% of higher education organizations surveyed made changes to benefits. Non-profit organizations changed benefits to a greater degree than other industries (see Table 10).

CONCLUSION

One way to understand the Affordable Care Act is to realize that it is changing. There continues to be clarifications to parts of the regulations that are vague, such as the Internal Revenue Service issuing guidance to higher educational institutions and how part time/adjunct faculty will need to be evaluated. Many employees, such as adjunct faculty, are paid on a contract basis depending on the number of credits or courses they teach instead of an hourly basis. The need for ongoing guidance and clarifications has frustrated many employers (Wolter Kluwer Law , 2014). The other way to look at the Affordable Care Act is to understand its complexity. The law is very broad in its reach and attempts to solve many problems surrounding the healthcare system in the United States.

The individual mandate is now required, and with the implementation of the insurance exchanges and available tax subsidies, the question is: what impact will the insurance exchanges have on employer-sponsored programs. Until businesses modify their employer-sponsored plans to reflect changes, the impact remains unknown. There is literature that suggests that some employees will choose to drop coverage currently offered by their employers due to costs and cost sharing (Banthin & Jacobs, 2012). Employees will be impacted by the increased costs. Banthin and Jacobs point out that this reaction by employers was not part of the debate during the negotiations for the Affordable Care Act.

The full impact of the Affordable Care Act on employers is still unknown since the employer mandate was delayed until January 1, 2015. We know that the business community has incurred the increased costs, such as the Patient-Centered Outcomes Research Trust Fund fee

and increases in premiums. However, a complete understanding of all costs is yet to be determined. In addition to the unknown costs, the impact of the enrollment changes, specifically employees declining employer-sponsored healthcare remains unknown (Dennis, 2011).

The Affordable Care Act has and will continue to have an impact on businesses across the country. To determine the significance of the impact on costs and employment, these costs and changes to employment within businesses needs to be studied. For a law to achieve its purpose, understanding the impact of the regulations and any positive or negative impact that comes from the rules is necessary. Without this knowledge, changes or adjustments cannot be made. Although healthcare is important for citizens, understanding how the Affordable Care Act regulations affect businesses and their ability to be successful, provide jobs, and provide a service or product is also important. Knowing the impact on the business community, as well as the pending potential impact on the economy and job market, is needed to limit the negative impact on businesses and their employees.

Overall, the literature finds increasing costs for businesses, negative feelings about the law, and frustration that the law has changed by way of delays and the necessity for clarifications. These alone have caused increased costs in training and policy revisions by employers. There is some evidence that employers will change the level of benefits offered, and for some employers, those who actually qualify for benefits.

The studies completed through January 2015 included projections and estimates that discussed the impact of the Affordable Care Act on businesses throughout the United States. Many employers experienced increases in employer-sponsored health care premiums before January 2015. Actual costs, fees, and changes to hiring can now be evaluated to evaluate the impact that the Affordable Care Act is having on businesses now that the employer mandate has gone into effect.

The Affordable Care Act is a complex piece of legislation that has impacted businesses several ways, including influencing hiring practices and changes to benefits, and increased costs for many businesses. The data collected in the survey and during the interviews detail the influence that this law has had on businesses. Much of the information collected does not indicate all employers are impacted; however, it is clear that there is a growing concern and that further studies will need to be done to monitor the impact of the law on businesses.

The impact on hiring and the change in hiring practices is concerning, and one that will need to be quantified in future studies. The timing of this survey was during the first month the employer mandate was in place. Many organizations had already changed their practices to meet the regulations of the Affordable Care Act. However, during the interviews a few of the leaders noted that there was ongoing discussions with their unions regarding benefit and hiring changes. This information suggests that although the employer mandate has been enacted, the full impact to businesses is not fully known. Since March 2010, the Affordable Care Act has had a major impact across the country on all citizens. Individuals and employers have been impacted in one way or another. This study specifically looked at the impact that the Affordable Care Act has had on businesses and their employees. As of January 1, 2015, the employer mandate became a reality for organizations across the country. To determine the impact, it was important to speak directly with employers of all sizes and industries to evaluate the influences on decisions made to comply with the law.

Understanding the influences the law has had within organizations provides guidance to legislatures in the future of how employers are impacted. The employer mandate, still new, will continue to impact businesses at different levels. Analyzing the ongoing influences on costs and

fees, hiring and staffing, and benefit changes, will allow future planning for healthcare reform and the funding requirements necessary to support the Affordable Care Act.

Changes to this complicated law will not be easy. However, based on the survey data and the interviews conducted, the most efficient way to make the positive changes to allow businesses to save money and create jobs is to eliminate or modify the employer mandate requirements.

The purpose of the Affordable Care Act was to provide accessible and affordable healthcare for all Americans. Even with exceptions based on employer size and the income of individuals, the cost of healthcare has not been addressed. The cost of healthcare has not decreased, but the law has changed who has absorbed the costs. Employers, employees, and taxpayers have seen increases due to the shift in responsibility of healthcare costs. The law does not address lowering the cost of healthcare, only who is paying for the healthcare by forcing individuals to have coverage and employers to offer it.

The Affordable Care Act has encouraged employers and employees to make choices they did not want to make. Reducing benefits, increasing cost-sharing, reducing hours, and redefining eligibility of spouses has hurt employees. The goal of the law was to increase affordability and access, but based on the data collected in this study, it is not clear that this has been achieved.

This research has provided a lot of data at the beginning of a very significant change in healthcare reform. It will be important to continue to study the impact that the Affordable Care Act has on businesses. The trends of changes in hiring practices and benefit changes, specifically by the non-profit and higher education industry sectors, should be looked again when the employer mandate has been in place for at least one year. It is possible that the data collected does not represent the final decisions made after the enactment of the Affordable Care Act. This may be due to fiscal or calendar year benefit plans, or union contracts not yet renegotiated since the enactment of the Affordable Care Act. To determine the impact the law has had on these organizations, future research is needed.

With the change in the political environment in Washington after the November 2014 election, and the presidential election getting underway for 2016, there is strong support by the Republicans to make changes to the Affordable Care Act. As with any change in legislation, it takes time and requires strong support by both Congress and the President. I acknowledge that, as of 2015, the support in both branches may not be strong enough to amend the law. If future studies support these findings, future Congress might be willing to make changes to the Affordable Care Act.

The intent of the law is certainly valid, and with the cost of healthcare increasing at a high level, focusing on changes to costs is an appropriate way to address the issues in healthcare. The concerns of employers are real, especially around costs and hiring. The law has attempted to fix one problem, but caused concerns on many other levels. Future research on the impact the Affordable Care Act is having, and may continue to have on businesses, should to be a topic for further analysis.

APPENDIX

Table 1 Demographics

Demographic	Description	Count	Percentage
Geographic Region	Northeast	34	23.1%
	West Coast	21	14.3%
	South	40	27.2%
	Midwest	44	29.9%
	Northwest	8	5.4%
Industry	Higher Education	91	61.9%
	Non-Profit	37	25.2%
	Government	7	4.8%
	Healthcare	4	2.7%
	Professional Services	3	2.0%
	Other	5	3.5%
Size of Organization (number of employees)	0-50	5	3.4%
	51-100	4	2.7%
	101-500	39	26.5%
	501-1500	54	36.7%
	1501-2500	16	10.9%
	2501-99999	29	19.7%

Table 3 Increased Costs Related to the Affordable Care Act, by Geographic Region

Geographic Region	Increased Costs	%	No Increased Costs	%	Unsure	%	Total
East	14	60.9%	3	13.0%	6	26.1%	23
West Coast	12	57.1%	4	19.0%	5	23.8%	21
South	31	77.5%	5	12.5%	4	10.0%	40
Midwest	33	75.0%	6	13.6%	5	11.4%	44
Northeast	7	63.6%	3	27.3%	1	9.0%	11
Northwest	5	62.5%	2	25.0%	1	12.5%	8
Total	102	69.4%	23	15.6%	22	15.0%	147

Figure 1 Additional Costs and Fees Paid by Employers due to Affordable Care Act

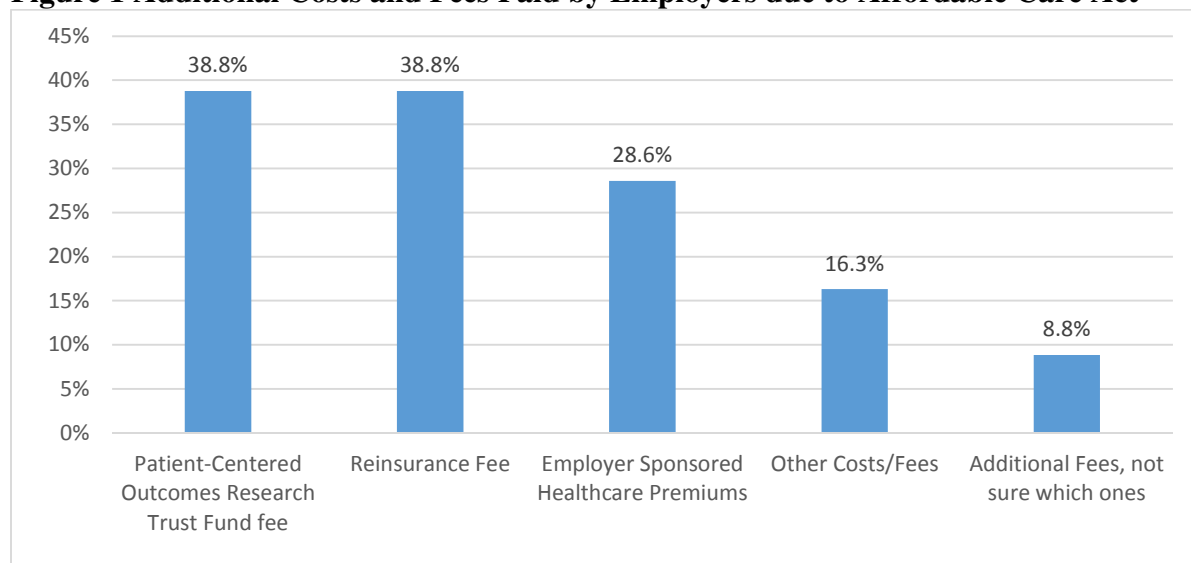


Figure 3 Change in Benefits

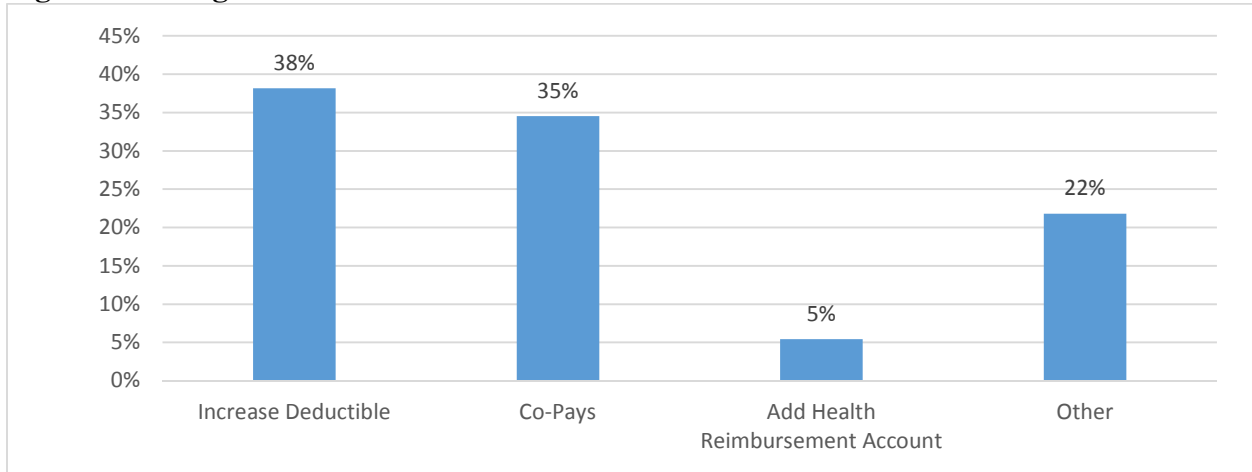


Table 4 Changes in Hiring Practices

Response	Count	Percentage
Yes	55	37.4%
No	92	62.6%
Total	147	100.0%

Figure 2 Comparison in hiring prior 12 months to next 12 months

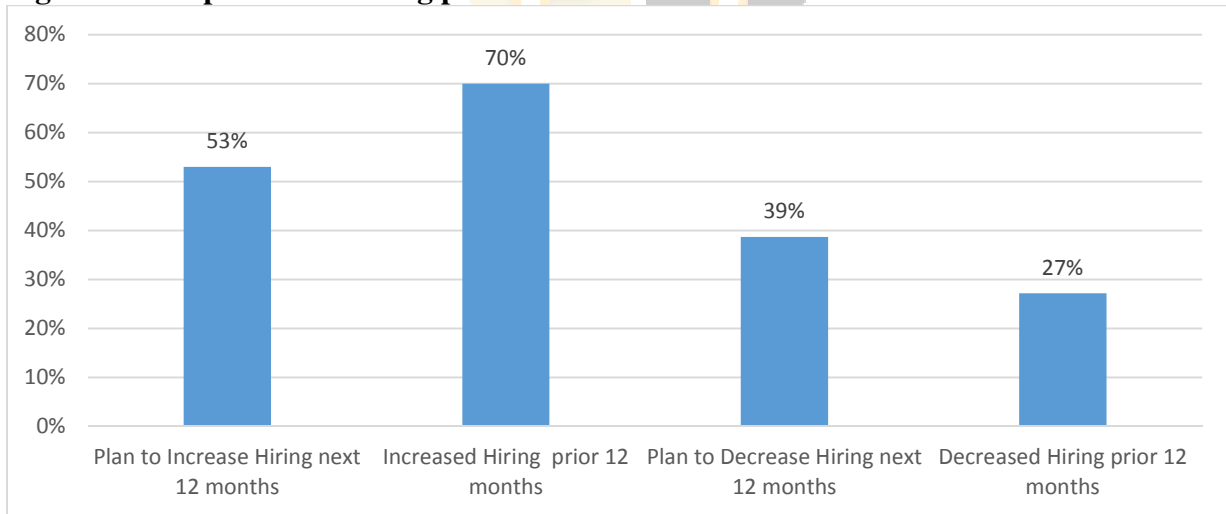


Table 5 Changes in Hiring Practices, by Industry

Type of Industry	Changes in Hiring Practices	Percentage	No Changes in Hiring Practices	Percentage	Total
Non-profit	11	29.7%	26	70.3%	37
Higher education	37	41.1%	53	58.9%	90
Other	7	35.0%	13	65.0%	20
Total	55	37.4%	92	62.6%	147

Table 6 Employers Hiring Past and Future Planning

	Hired Employees in Prior 12 months Count	Percentage	Hired Employees in Next 12 months Count	Percentage
Yes	104	70.7%	78	53.1%
No	40	27.2%	57	38.8%
Not Sure	3	2.0%	12	8.2%
Total	147		147	

Table 7 Hiring Decisions Influenced by the Affordable Care Act, by Industry

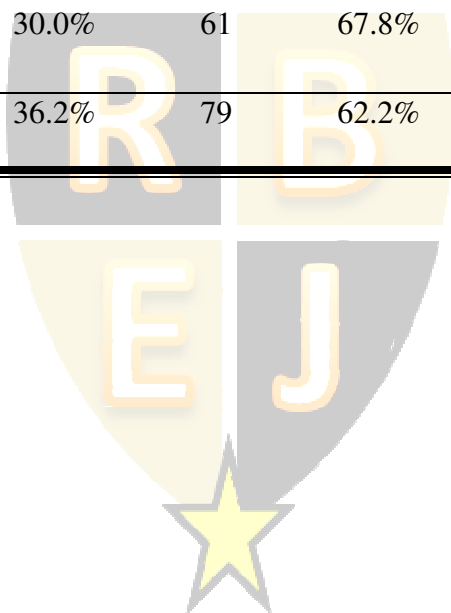
Industry	Influenced	Percentage	Not Influenced	Percentage	Total
Non-profit	14	37.8%	23	62.2%	37
Higher Education	39	43.3%	51	56.7%	90
Other	6	30.0%	14	70.0%	20
Total	59		88		147

Table 8 Changes in Benefits

	Count	Percentage
Experienced Changes	56	38.1%
Experienced No Changes	89	60.5%

Table 10 Changes to Benefits, by Industry

Industry	Experienced Change to Benefits	%	No Change to Benefits Experienced	%	Unknown if Changes in Benefits	%	Total
Non-profit	19	51.4%	18	48.6%	0	0.0%	37
Higher Education	27	30.0%	61	67.8%	2	2.0%	90
Total	46	36.2%	79	62.2%	2	1.6%	127



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