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Isaac M. O'Bannon • Apr. 09, 2014

How much will the Affordable Care Act, also known as Obamacare, cost employers?

According to a new study by the American Health Policy Institute (AHPI), it could cost some businesses almost \$6,000 extra per employee. The report, "The Cost of the Affordable Care Act to Large Employers." draws on internal cost data shared with AHPI by over 100 large employers (10,000 or more employees each) doing business in the United States.

The study offers the first-ever look at how these organizations believe the Affordable Care Act (ACA) has impacted the current and future cost of providing health care to their employees.

The study found that over the next decade:

- The ACA will cost large U.S. employers between \$4,800 to \$5,900 per employee.
- Large employers expect overall ACA-related cost increases of between \$163 million and \$200 million per employer, or an increase of 4.3 percent in 2016 and 8.4 percent in 2023 over and above what they would otherwise be spending.
- Based on these data, the total cost of the ACA to all large U.S. employers will be from \$151 billion to \$186 billion, or 5.9 percent more than what they would otherwise be spending.

Large employers are responsible for a total of 137.7 million American jobs, and maintaining a healthy workforce continues to be a top priority for them. However,

as the study notes, there has until now been very little, if any, accurate information

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large employer over the course of a decade will not be overlooked by CEOs, CFOs, or Boards of Directors.”

Though the financial impact on individual companies will vary, most are feeling significant pressure to “make fundamental changes to their health offerings as a result of the ACA.” The study’s authors argue it is important for policymakers to see the same data employers are grappling with and understand how it may influence their future benefit and staffing decisions.

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