



## RELATED PRACTICE AREAS

Affirmative Action/OFCCP Compliance  
Disability, Leave and Medical Issues  
Labor and Employment  
Workers' Compensation

## RELATED TOPICS

Affordable Care Act  
Obama  
Obamacare

## D-Day For ObamaCare?

November 6, 2012 | [Employee Health Issues, Labor And Employment](#)



**Hannesson  
Murphy**  
Partner

Today is Election Day, and many believe that it represents what may be the last realistic challenge to the implementation of the Affordable Care Act (a/k/a ObamaCare). If the President wins re-election, it is virtually certain that the Act will be implemented as planned in January 2014. However, what many overlook is that even if the President loses, the Act still may survive – depending on which party winds up controlling the Senate and whether there is sufficient political will to repeal the law. As it stands now, there is a very good chance that the composition of Congress will not be dramatically different tomorrow than it is today – meaning that those expecting the Act to quickly fall by the wayside may be disappointed.

In other words, regardless of what happens this Election Day, employers who have been biding their time in the hopes that the healthcare law somehow would be swept aside need to redouble their efforts to prepare for its implementation – which now is only a little over one year away. Even for those who have not read the assorted 2,000 pages of legislation that comprise the Act, it is no secret that it will have a significant impact on employers. For one thing, the Act requires employers with at least 50 full-time workers to offer government-designed health insurance or pay a \$2,000 or \$3,000 penalty per employee. According to a recent Congressional report, 90 percent of employers surveyed believe that the Act will increase their health care costs, and most of these cost increases will be passed onto employees in the form of lower wages and lost job opportunities. The same report also noted that 74 percent of small businesses found the Act would make it more

difficult for them to hire additional workers.

In light of fears of higher costs, some employers are looking at increasing their part-time workforce (those working less than the 30-hour threshold specified by the Act for full-time status) to avoid the Act's penalties. Others are considering dropping health insurance coverage altogether – opting to pay the penalties instead of what are anticipated to be higher premiums.

Whether most of the fears associated with the Act will be borne out in reality remains to be seen, but at least one thing is clear: regardless of the outcome of today's election, the Act will remain on the books for the foreseeable future. Employers cannot afford to remain on the sidelines and need to be prepared to meet the challenges and requirements of the Act as soon as possible.