Employer Reactions to the Affordable Care Act

Although the implementation of parts of the Affordable Care Act (ACA) was delayed until 2015, many firms had already made changes to their health insurance plans and their business practices. This article reports results from a survey administered to western Michigan firms in October 2013 requesting information on any changes they made in response to ACA. The authors found that although 89% of employers planned to offer health insurance in 2014, that number dropped to 66% in 2015. The main ways organizations were controlling health costs were by changing prescription coverage, passing on the costs to employees through higher copays and premiums and offering more high-deductible health plans with health savings accounts. Employers also were altering business practices by decreasing future hiring and decreasing the hours of part-time workers. The authors find that many of these changes were due to the uncertainty firms were facing during the ACA implementation process.

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The Affordable Care Act (ACA) may affect how firms interact with their employees and the health care plans they provide over the next few years. The regulations associated with ACA may increase costs. That includes not only the employer mandate—as firms subject to the mandate must offer insurance to all full-time employees—but other less-known sections of ACA. Excise taxes on insurance plans, changes to out-of-pocket maximums and a minimum level of covered services required in insurance plans may even affect smaller firms not affected by the mandate. Hence, in this article, we will refer to “changes made because of ACA” to include changes because of future implementation of the mandate and/or made because of these other legislation changes.

Early evidence suggests that employers have already begun to make changes. A December 2013 survey of chief financial officers (CFOs) reports that 44% of companies were considering reducing health benefits to current employees, and more than 40% of companies were considering decreasing hours to below 30 per week for part-time employees (Graham 2013). Furthermore, firms are containing costs by passing them along to their employees. The International Foundation of Employee Benefit Plans’ 2013 survey of firms found 49% of employers have already increased the employee share of health insurance costs because of ACA, while 40% were considering this option.

In order to further examine employers’ responses to ACA, we administered a survey to firms in western Michi-
gan, asking about their health insurance offerings and business practices. In addition to getting information on any changes they were making, we also documented firm size, employee skill level and industry. We also asked questions that point to possible reasons for their changes.

Survey and Sample

The three-page survey was sent to 918 businesses in western Michigan in September 2013 (see Appendix for the survey). We received 175 responses, ranging from firms with just under 50 full-time employees to those with more than 500. The survey instructed respondents to indicate only what changes they had made/were considering making because of ACA. The inclusion of these instructions is important because employers have been making cost-containment decisions for years as health care costs increased, and it is important to distinguish these changes from those made because of ACA. It is also important to understand that a few of the ACA provisions that may increase costs had not yet gone into effect when the survey was done, but implementation dates were known. Hence, we perceive the changes firms were making as preparatory and not necessarily long run in nature.

The initial sample was chosen randomly from a database of western Michigan employers that had 50 or more employees in 2011. Although all of these firms reported more than 50 employees, 32% of our sample report fewer than 50 full-time employees. The differences arise because a firm could have more than 50 total employees but fewer than 50 who are full-time. In addition, firms that had around 50 workers in 2011 could have decreased their workforce. Regardless of the reasons, the group of firms with fewer than 50 workers is not a representative sample of very small firms, and this fact should be considered as the results are analyzed.

We chose three characteristics to include in the survey questions: firm size, average employee skill level and industry. Health insurance and business practices are widely known to vary with size of the organization, given the economies of scale and bargaining power inherent in large firms. Skill level also matters, as employers tend to compete for higher skilled workers with health benefits. High-skilled workers also have larger replacement costs in terms of training, and this may affect whether a firm changes business practices. Finally, the employer’s industry may affect health insurance choices and business practices. Western Michigan—particularly with regard to the larger firms sampled—has a large percentage of manufacturers, which tend to offer better health insurance than the service industry, for example. Not surprisingly, the majority of employers are small, with 59% having fewer than 100 employees. The sample of firms with more than 250 employees is quite small, with only 6% in the 250-499 range and 9% having more than 500 full-time workers. We find that while the 500-or-more sample tends to follow the national trends in health insurance, the 250-499 size does not. We used regression analysis and cross-tabulations to examine whether the results are being driven by skill level or industry and found no correlations. Hence we conclude that this sample is likely not representative of this firm size nationally.

On a scale from 1 to 10, with 10 being highly skilled, the majority of western Michigan employers rate their workers as a 7 or higher. This tells us that these firms may be more likely to attract productive workers with health benefits and less likely to make labor market changes. In fact, 83% of the employers consider offering health benefits “extremely important” or “important” to attracting and retaining productive employees.

The largest percentage of the employers (27%) is in manufacturing, followed by other (9%), health care (7%) and retail and food service (each 6.5%). Although manufacturing is over-sampled and retail is undersampled as compared with the population in western Michigan, each sample by industry is too small to make meaningful inferences as to a particular industry’s effect on cost containment and business practice changes.

Health Insurance and Containing Health Care Costs

Economic Theory and Relevant Literature

The literature on how ACA will affect employer-sponsored health coverage is mixed. Will the mandate incentivize employers to offer coverage? If so, will additional cost-containment
measures be taken to soften possible adverse effects on the employer’s bottom line? Economic theory suggests several possible solutions.

Holtz-Eakin (2011) predicts that employers, by and large, will decide to drop coverage. After all, the financial incentive to pay the penalty and drop coverage—at $2,000/per worker per year—is great, since the average amount a firm would pay for insurance per worker is much higher than the penalty. In addition, workers eligible for federal subsidies will come out ahead, with lower overall premiums for an exchange plan than for an employer plan. Dropping coverage is a “win/win” scenario.

Eibner et al. (2010) and Blumberg et al. (2012) disagree. They predict that employer coverage will largely remain intact. Employers have voluntarily offered insurance for decades, primarily because of worker demand, and see the value it holds in attracting and retaining productive workers. This is particularly true if employer-sponsored coverage is of better value and less expensive than plans on the public exchange. In addition, the demands of workers with higher skills and higher pay—who are likely to benefit more from employer-sponsored coverage—will outweigh the preferences of lower skilled workers, since high-skilled workers are harder to find. Ultimately firms will look at the long-run bottom line rather than a short-run savings. It is also possible that firms could choose a middle ground: keep offering health insurance (or begin offering insurance), only pass more of the costs onto the employee. We find this option to be most prevalent in the firms we surveyed.

**Survey Results**

**Health Insurance Offerings**

Most firms with 50 or more employees (93%) offered health insurance at the time of the survey. However, employers clearly have a lot of uncertainty about what they will do going forward. Figure 1 shows firm plans to offer health insurance in 2014 and 2015. While most (89%) plan to offer insurance, and only 8% had not decided for the 2014 plan year, by 2015, only 66% will offer insurance and the percentage of firms undecided jumps to 30%. This level of uncertainty in health coverage may affect the willingness of firms to hire or invest. In fact, Anderson (2013) finds that managers of private firms may avoid hiring workers because of the risk of higher future costs associated with government policies. We will revisit this idea of uncertainty and business practices later in this article.

**Health Care Cost-Containment Measures**

Firms have been enacting cost-containment measures...
for years as health care costs have risen. Are they acting further on these measures because of ACA? For the most part they say “yes.” The areas of containment where we saw the most changes are in the employee share of costs, the use of HDHPs and changing prescription coverage. Employers are also switching to self-funded plans, which are exempt from many parts of ACA.

Generally, the results show that firms are containing costs by passing them along to their employees. This trend was evident before ACA passed but has since accelerated in anticipation of higher costs. Figure 2 shows that 45% of employers have already increased the employee’s share of costs because of ACA, while 37% are considering this option. A comparison with a survey done by the International Foundation of Employee Benefit Plans shows that the reactions of western Michigan employers are similar to those of employers nationally. That survey found that 43% of firms have increased or are planning to increase the employee share of premiums, and 33% have increased or are planning to increase deductibles (International Foundation of Employee Benefit Plans, 2013).

HDHPs have become commonplace in the last few years. However, 35% of western Michigan firms surveyed said they have implemented or expanded HDHPs because of ACA, while 38% are considering this option (Figure 3). Why might the implementation of ACA increase firm demand for these types of plans? Typically HDHPs have low or no premiums and encourage employees to think more like consumers because they have to pay the initial health care costs. This makes it less expensive for the employer to offer an ACA-qualified plan. Firms can also offer an HDHP along with a health reimbursement arrangement (HRA) or an HSA. With an HRA, the firm can purchase the less expensive HDHP but reimburse employees through their HRAs. This allows the firm to save in premiums and also self-insure a portion of the health benefit.

A large number of employers reported changing their prescription coverage (e.g., using formularies)—27% have already changed their drug coverage, while 42% are considering a change (Figure 4). This result is not surprising, given that ACA requires prescription coverage to be included as an essential health benefit in many plans. Since drug costs continue to increase—and show no signs of slowing down—including a prescription plan adds another layer of costs and uncertainty to a firm’s bottom line. How much will drug costs continue to increase? Passing some of these costs onto the employee lessens the degree of future risk for the firm.

We also saw a relatively large amount of employers—including smaller organizations—changing to self-funded plans or considering doing so. The exemption of self-funded health plans from many of the new ACA regulations gives health care reform “lookback”
firms an incentive to move away from fully insured plans. Figure 5 shows that overall, 44% of all firms have switched or are considering switching to a self-funded plan. Historically, self-funded plans have been attractive for larger companies that can absorb large claims from their employees, but the risk was too high for smaller companies. However, when we examined the results by firm size, we found that 29% of firms with fewer than 50 employees and 49% of those with 50–99 employees are considering switching.

Business Practices and the Labor Market

Economic Theory and Relevant Literature

Government policies can sometimes have unintended consequences. Firms have a bottom line, and if costs go up for health care, they must go down in other areas. How might firms adjust their business practices if health insurance costs increase or if they are mandated to provide health insurance?

Economic theory predicts that, in the long run, firms that offer health insurance will adjust wages downward to compensate for increased costs. This amount is known as the compensating differential and has been found to be significant in many empirical studies (Olson 2002, Miller 2004, Baicker and Chandra 2006). However, since our survey was given just a short time from the implementation (or future implementation) of the tenets of ACA, and wages are difficult to reduce in the short run, we would not expect to see a decrease in wages. However, firms can enact more immediate changes such as changing the number of workers they hire and retain as well as switching to part-time or temporary workers for whom they do not have to provide health insurance.

Studies have shown that firms that are mandated to provide health insurance to full-time employees tend to hire more part-time workers (Lee et al. 2005, Schultz and Doorn 2011, Buchmeuller et al. 2009) and decrease their hiring and/or reduce the size of their workforce (Baicker and Chandra 2006). Furthermore, Baicker and Levy (2007) find that those workers at or close to the minimum wage are more likely to lose their jobs if an employer has to provide insurance, since their wages cannot be adjusted any lower to offset the insurance costs.

Survey Results

Given the short time frame between the rollout of the ACA and the survey, we focused on the more immediate changes to business practices that firms may be making. These changes include using more temporary workers, decreasing the hours of some part-time workers, limiting future hiring, decreasing the current workforce and canceling plans to expand or relocate.

Many firms in our survey are limiting the number of employees who would be eligible for health insurance. Figure 6
shows that 36% of firms are using or considering using more temporary workers, with smaller firms (50 to 250 workers) doing this more often than larger firms. Companies are also reducing the hours of part-time employees, since decreasing hours to less than the ACA full-time threshold of 30 hours per week will make those workers ineligible for mandated health benefits. Figure 7 shows that 51% of firms have already considered or are considering this option, with small and midsize firms, again, more likely to do so.

Figures 8 and 9 show employer responses with respect to the number of workers. More firms are responding by limiting future hiring than by reducing their current workforce. Figure 8 shows that 44% of firms are considering limiting or had already limited future hiring at the time of the survey, while only 33% have reduced or are considering actually reducing the current workforce (Figure 9).

**Econometric Model Describing Firm Labor Market Choices and Uncertainty**

Because only a few tenets of the ACA had been implemented at the time of the survey—the employer mandate was delayed to 2015 just a few months before the survey was distributed—we had doubts that firms were responding to higher actual costs in such a short time frame. Hence we looked for other possible reasons to make these changes, particularly the labor market changes. Were employers responding to expected higher future costs? Were they just uncertain as to how their costs were going to change and acting to reduce their future risk? Also, were the specific characteristics of the firms—size, employee skill level and industry—driving the results one way or another?

Patrick L. Anderson (2013) uses firm data to test the policy uncertainty hypothesis, which states that managers of private firms rationally hold back from hiring workers because of the risk of higher future costs imposed by government policy. An important aspect of this hypothesis is that firms are reacting to their perceptions of what policy may do to their costs. Anderson finds that, indeed, policy uncertainty, specifically with respect to increased taxes and health care costs, affects the hiring practices of companies. Furthermore, smaller companies are more likely than larger ones to be affected by policy uncertainty.

In examining the responses to our survey questions, one question stood out more than the others in describing a firm’s uncertainty. When asked about offering health insurance in the near future (2014), only 8% of firms were uncertain as to whether they would offer insurance. However, that percentage jumped to 30% for 2015. Cross-tabulations further revealed that many of the firms that were uncertain as to insurance coverage in 2015 were also the firms that were decreasing hiring and making other labor market changes.

In order to examine in better detail whether this uncer-
tainty was related to firm labor market changes, we estimate the following probit model, using firm $i$ as the unit of observation:

$$y_i = x_i \beta + z_i \delta + \epsilon_i$$

$y_i$ is the dependent variable:

$= 1$ if the firm made a specific labor market change

$= 0$ otherwise

$x_i$ contains firm characteristics, including dummy variables for firm size and industry, and a continuous variable for worker skill level

$z_i$ contains a dummy variable for firm uncertainty, where $z_i = 1$ if the firm is uncertain about offering insurance in 2015, $= 0$ if not

$\epsilon_i$ is a random error term

The table contains the results. We find that the average skill level of the workforce has a marginally statistically significant effect on limiting hiring and increasing the use of temporary workers; the higher the skill level, the lower the likelihood of substituting workers by limiting hiring. This makes sense, as highly skilled workers are difficult to replace. We also find that smaller firms—namely those with 50 to 250 workers—are more likely to limit hiring than are firms with more than 250 employees. Manufacturing firms are more likely than nonmanufacturing firms to limit hiring, but only at a marginally significant level.

The most interesting result is the uncertainty estimate. Even after controlling for firm characteristics, firms that are uncertain about the future are more likely to make all five of the business practice changes we asked about on the survey. Only when the dependent variable is reducing hours is the estimate only marginally significant. These actions show that firms are taking a more conservative look

<table>
<thead>
<tr>
<th>Skill level</th>
<th>Temporary Workers</th>
<th>Limit/Reduce Hiring</th>
<th>Reduce Hours</th>
<th>Reduce Workforce</th>
<th>Limit Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>-.11* (.06)</td>
<td>-.12** (.06)</td>
<td>-.02 (.05)</td>
<td>-.02 (.07)</td>
<td>-.01 (.07)</td>
</tr>
<tr>
<td>Firm size &lt;50</td>
<td>.45 (.28)</td>
<td>.48* (.27)</td>
<td>-.09 (.26)</td>
<td>.28 (.31)</td>
<td>-.18 (.33)</td>
</tr>
<tr>
<td>Firm size 50-100</td>
<td>-.01 (.43)</td>
<td>.76 (.55)</td>
<td>-.30 (.36)</td>
<td>.09 (.55)</td>
<td>-.17 (.46)</td>
</tr>
<tr>
<td>Firm size 100-250</td>
<td>.17 (.42)</td>
<td>1.05** (.53)</td>
<td>.18 (.35)</td>
<td>.43 (.53)</td>
<td>-.12 (.47)</td>
</tr>
<tr>
<td>Uncertain</td>
<td>-.04 (.43)</td>
<td>1.08** (.54)</td>
<td>.29 (.36)</td>
<td>.60 (.53)</td>
<td>.19 (.47)</td>
</tr>
<tr>
<td>*** at .01 level</td>
<td>.53** (.26)</td>
<td>.63*** (.25)</td>
<td>.43* (.24)</td>
<td>.73*** (.28)</td>
<td>.68** (.29)</td>
</tr>
</tbody>
</table>

N=163

** at .05 level

* at .10 level
Many of these changes are not occurring because of direct cost changes, but rather because of policy uncertainty. Unfortunately, we cannot determine if these firms are doing this or not. In addition, it has been suggested that the results could be driven by political leanings. The four counties we served are largely Republican, with three of the four voting Republican in the 2012 presidential election. For this reason, we obtained the aggregate results of another survey done in 2013, only on the east side of the state (ASE 2013). This survey has similar questions to ours, and of the 20-plus counties surveyed, more than three-quarters voted Democrat in 2012. The results show that 64% of these firms strongly disagree or disagree that the ACA is an improvement over the current system, and only 8% strongly agree or agree that it is an improvement. Our results show that 65% of firms strongly disagree or disagree, while 17% actually agree or strongly agree—Firms in western Michigan are actually more in favor of ACA than are those on the east side. The results on health care cost containment and labor market changes are also similar to ours. We believe this comparison shows that our results are not overall politically driven.

4. Annual fees on the pharmaceutical industry began in 2012. In 2014, public health insurance exchange plans will cover individuals, essential services will be required in insurance plans and fees in the health insurance sector will be levied. The employer mandate is set to go into effect in 2015.

5. Forty-seven percent said they are “very important,” 36% view them as “important,” 11% as “moderately important,” 2% as “of little importance” and 4% as “unimportant.”

6. This fine is applicable to firms that do not offer coverage but have at least one full-time employee receiving subsidies in the exchange. The fine is per full-time employee, minus the first 30. The penalty increases to $3,000 per full-time employee if the firm offers insurance but at least one full-time employee is receiving a subsidy on the exchange.

7. Workers with low earnings will likely benefit more from being allowed to go on the public exchange, since the federal subsidies will help lessen the cost. High earners will be worse off on the exchange, for two reasons: (1) They are not eligible for federal subsidies and (2) they lose the tax benefits that come with employer-sponsored coverage.

8. Self-funded plans are exempt from the excise tax on premiums, community rating on premiums, regulations on minimum loss ratios and annual increase reviews and mandates under the essential health benefit rules (Laszewski 2012).

9. Lee et al. examined Hawaii’s employer mandate, the Prepaid Health Care Act of 1974, and found that firms tended to avoid the mandate by employing workers below the 20-hour-per-week threshold.

**Conclusion**

Employers in western Michigan are reacting to their perceptions of the future costs ACA may bring. The result has been increases in health insurance cost-containment measures, specifically by passing more costs directly to the employee through the use of HDHPs and changes to pharmaceutical coverage. In addition, a majority of firms are adjusting their labor needs and business plans accordingly. Many of these changes are not occurring because of direct cost changes, but rather because of policy uncertainty. Until the uncertainty subsides and true costs are found, these changes will likely persist.

**Authors’ note:** The authors thank Priority Health for its funding and collaboration in this survey.

**References**


**Affordable Care Act Employer Survey**

Please answer the following questions. NOTE: Please answer the questions to reflect only changes you made or plan to make as a direct result of the ACA (e.g., if you were already changing insurance plans—but for other reasons—do not check the corresponding box).

1. How many full-time workers (30+ hours per week) does your organization currently employ?
   - [ ] Less than 50
   - [ ] 50-99
   - [ ] 100-249
   - [ ] 250-499
   - [ ] 500+

2. On a scale of 1 to 10, with 1 being unskilled and 10 being highly skilled, how would you describe the majority of your workforce?
   - [ ] 1
   - [ ] 2
   - [ ] 3
   - [ ] 4
   - [ ] 5
   - [ ] 6
   - [ ] 7
   - [ ] 8
   - [ ] 9
   - [ ] 10

Unskilled

Highly skilled
### Affordable Care Act Employer Survey Continued

3. How would you categorize your organization’s industry?
   - [ ] Accommodation
   - [ ] Agriculture/forestry
   - [ ] Construction
   - [ ] Education
   - [ ] Financial services
   - [ ] Health care
   - [ ] Manufacturing
   - [ ] Professional, scientific or technical services
   - [ ] Real estate
   - [ ] Recreation
   - [ ] Restaurant/food services
   - [ ] Retail
   - [ ] Telecommunications/media
   - [ ] Transportation
   - [ ] Utilities (gas, electric, water)
   - [ ] Wholesale trade/distribution
   - [ ] Other services
   - [ ] Other _________________

4. Does your organization currently offer wellness-based health benefits to its employees?
   - [ ] Yes
   - [ ] No

5. Does your organization currently offer employer-sponsored health insurance coverage to its employees?
   - [ ] Yes
   - [ ] No

6. What are your future plans with respect to employer-sponsored health insurance coverage?
   - Will have coverage
   - Will not have coverage
   - Not sure/undecided

<table>
<thead>
<tr>
<th></th>
<th>In the 2014 plan year</th>
<th>In the 2015 plan year</th>
<th>Not sure/undecided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will have coverage</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Will not have coverage</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Not sure/undecided</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

7. How concerned is your organization about the future cost of offering employer-sponsored health benefits?
   - [ ] Not at all concerned
   - [ ] Slightly concerned
   - [ ] Somewhat concerned
   - [ ] Moderately concerned
   - [ ] Extremely concerned
Affordable Care Act Employer Survey Continued

8. How important to your organization are health benefits in attracting and retaining talented employees?
   - Very important
   - Important
   - Moderately important
   - Of little importance
   - Unimportant

9. What has been your primary resource for understanding the impact of health reform and the ACA to your business?
   - Consulting firms
   - Government
   - Insurance broker
   - Insurance carrier
   - News media
   - Peers
   - Professional/trade associations
   - Other ________________________

10. A private health exchange is a marketplace where employers purchase health coverage for their employees, typically up to a predetermined dollar amount (defined contribution), and employees select their health benefits from participating insurance companies. Is your organization considering using a private health exchange as an option for employee health benefits?
   - Yes
   - No
   - Not sure

11. How important is understanding health reform and its implications for your organization in 2014?
   - Very important
   - Important
   - Moderately important
   - Of little importance
   - Unimportant
Affordable Care Act Employer Survey Continued

12. How strongly do you agree or disagree with the following statement: Overall, I think that health reform and the ACA provisions that go into effect in January 2014 will be an improvement over the current health system.

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neither agree nor disagree
- ☐ Agree
- ☐ Strongly agree

13. Which, if any, of the following cost-containment measures has your organization taken or seriously considered in an effort to control health care costs as a result of the ACA? (Check all that apply.)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Already taken</th>
<th>Not taken, but considering</th>
<th>Not taken, not considering</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate health care coverage altogether</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>(may or may not offer alternate compensation or defined contributions)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Change from a fully insured to a self-funded plan</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Change health providers/administrators</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Conduct dependent eligibility audits</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Eliminate spousal coverage</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Eliminate or reduce non-mandated coverage (e.g., dental coverage)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Implement changes to prescription drug coverage (e.g., use of formularies)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Implement or expand disease management programs</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Implement or expand use of high-deductible health plans (e.g., health savings accounts)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Implement or expand wellness programs</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Implement or expand wellness incentives (e.g., premium discounts)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Increase employee’s share of medical services (e.g., increased co-pays, coinsurance, deductibles, share of premium cost, out-of-pocket limits)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Increase the use of health claim audits</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Affordable Care Act Employer Survey Continued

14. Has your organization implemented or seriously considered any of the following changes to your staffing or workforce needs as a result of the ACA?

<table>
<thead>
<tr>
<th>Change</th>
<th>Yes</th>
<th>No, but considering</th>
<th>No, and not considering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the use of temporary or contingent workers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Reduce or limit the amount of hiring in the next 12 months</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Reduce or limit the amount of hours worked of certain part-time employees</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Reduce the size of your overall workforce</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Cancel plans to expand a current location or open up a new location</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

15. If you have implemented or are seriously considering cost-containment measures or staffing changes as noted above, were they in response to what your competitors are doing?

☐ Yes ☐ No

Thank you for your participation in this survey!

International Society of Certified Employee Benefit Specialists

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