Research

Labor Markets and Health Care Reform: New Results

CAMERON MCCOSH | AUGUST 25, 2011

The PPACA will have profound implications for U.S. labor markets. The PPACA is fiscally dangerous, raising the risk of higher labor (and other) taxes at a time when the job market is struggling. It provides strong incentives for employers – with the agreement of their employees – to drop employer-sponsored health insurance for as many as 35 million Americans, perhaps leading to widespread turmoil in labor compensation and employee insurance coverage – and raising the gross taxpayer cost of the subsidies to roughly $1.4 trillion in the first 10 years.