Press Release

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As the Patient Protection and Affordable Care Act (PPACA) is implemented, billions in new costs are being imposed on the private sector and state governments, according to a new report. The **American Action Forum** finds that regulations from the PPACA will add $20.4 billion in costs to "private entities"–businesses and non-profits–and $7.2 billion in costs on state governments.

The report also examines how these costs are divided among states. Five states—Illinois, Florida, New York, Texas, and California–are expected to be hit with at least $1 billion in new costs.

AAF economist **Sam Batkins** points out that the health care law's $27.6 billion in regulation costs only "represent a cost floor and not a ceiling to implement the [PPACA]." In an e-mail interview, Batkins explained that the report "only accounts for the published costs reported by the administration itself, ignoring the tax or legal burdens." In the case of the PPACA's Medicaid expansion, for example, Batkins told me, "the administration reported states costs only through FY 2016, even though it admits that states will have to pick up a greater share into the next decade."

Batkins said businesses and state government should be ready for additional regulations ranging from establishing state health insurance exchanges to implementing tax provisions in the law. "According to the most recent data, there are still 52 'active' rulemakings related to [PPACA], and 14 more actions expected in 2014," he said.

Beyond those rules that we know are in the works, even more costly regulations should be expected. "The problem is that the government hasn't given anyone a clue about what's next," Batkins said. He went on:

"The Administration is scheduled to publish its fall "Unified Agenda" of federal rulemakings, but it has yet to publish its spring version yet, and has not updated Congress on the annual costs and benefits of its regulations."

The Chamber's Marc Freedman noted a similar frustration over the lack of a federal Regulatory Agenda.

With its implementation of the PPACA, the administration has put the private sector and state governments in a double bind. They'll both endure new regulatory costs while at the same time are unsure when more costly rules will fall on them. Not only is the health care law adding costs on the private sector and state governments (while failing to live up to its lofty goals), but it's generating unnecessary uncertainty.