



The Biggest Beneficiaries of the Affordable Care Act are State and Local Governments

There is a lot of hype right now about the Affordable care Act (ACA) and the impact it will have on healthcare. Less recognized is the impact ACA will have on state and local government's OPEB liability. OPEB or 'other post-employment benefits' is a massive liability, unlike pensions, one most states and localities have not prefunded. Every day as healthcare costs rise and Americans continue to age, that OPEB gets bigger.

ACA could be seen to many states and local governments as a solution to their OPEB problem, at least the portion of OPEB attributable to pre-Medicare retirees. The ACA exchanges will allow these localities to move their pre-65 retirees on to health plans on the ACA exchanges. But moving these pre-65 retirees to the exchanges will simply transfer costs from the state or local government level to federal taxpayers.

Click [here](#) for an excellent and informative related article on this subject in BusinessInsider.com.