

The Agenda for America's Entrepreneurs: Healthcare

Access to affordable, quality healthcare is vitally important to small business owners because they and their employees have historically comprised a disproportionate share of the working uninsured. At the same time, those small businesses with coverage paid 18% more on average than larger companies. This changed when the Affordable Care Act (ACA) was enacted, which strengthened the small group market and provided healthcare to millions of small business owners. Indeed, [more than half](#) of all ACA marketplace enrollees are small business owners, self-employed or small business employees.

Rollbacks to the ACA under the Trump Administration—including expanded access to junk plans and association health plans—destabilized the market and caused small businesses and their employees, particularly women and people of color, to pay higher premiums at a time when affordable coverage is needed most.

The ability to access affordable healthcare has become even more critical during the coronavirus pandemic. In fact, [our polling](#) found that 34% of small businesses have struggled to obtain health insurance for themselves or employees during the pandemic. We must protect and strengthen our nation's healthcare system and the ACA, which will help close inequities in health coverage that plague our small business communities.

Top three priorities for Congress to support small business

- Extend the premium assistance provided by the American Rescue Plan that has helped make healthcare more affordable for many entrepreneurs. We support increasing premium assistance to those who are otherwise eligible for premium tax credits and expanding subsidies to people making more than 400% of FPL. These reductions will make health coverage more accessible in the long run to small business owners and their employees who are struggling to afford coverage.
- Address the rising costs of prescription drugs, as these costs are [hurting small business owners' bottom lines](#). Policy solutions should include allowing Medicare to negotiate prices directly with pharmaceutical companies.
- Pass the Medicaid Saves Lives Act or allow individuals, no matter where they reside, to purchase coverage through the ACA marketplace. Millions of individuals, including self-employed small businesses, do not have access to Medicaid coverage. States that deny expansion of Medicaid do a disservice to their small business ecosystem, particularly those who also cannot access coverage on the ACA marketplace.

Expand access to coverage

- Provide additional health coverage options by allowing people to buy in to Medicare or Medicaid.
- Expand Medicare coverage to include individuals age 55 and older. Expanding Medicare coverage is an important step toward closing the gap in access to care and is [strongly supported](#) by small businesses.
- Make significant investments towards educating the public about when the annual open enrollment period begins. This must include multi-year funding for consumer assistance in navigating the program and application assistance.
- Allow consumers who are offered employer-sponsored insurance to instead receive premium assistance for marketplace coverage if they choose. This would eliminate the “unaffordability” threshold that consumers must currently meet to be eligible.

Aggressively address issues of cost and affordability

- Calculate marketplace premium tax credits based on the cost of a gold-level plan (80% actuarial level) instead of a silver-plan (70% actuarial level).
- Base marketplace assistance on consumers' previous year income rather than their estimated current year income, which currently results in consumers having to repay subsidies when they underestimate future income.
- Pass healthcare tax equity for the self-employed so that freelancers can deduct their healthcare expenses from their FICA tax obligations-just like other business entities.
- Limit out-of-pocket costs to ensure entrepreneurs and their workers with coverage can afford to use it.

Strengthen market stability

- Block the extension of short-term, limited duration insurance plans. These plans are intended to fill gaps in coverage in the event of job loss or other life changes, but are not required to cover essential health benefits like prescription coverage or mental health treatment and can come with hefty deductibles. Leaving them in place will cause younger and healthier people to leave the marketplaces and create an unbalanced risk pool that raises costs for everyone else.
- Repeal regulations that broadened access to association health plans (AHPs), which would encourage younger, healthier groups to purchase inadequate coverage, thus increasing costs for most of the small group market.
- Create a reinsurance program to help stabilize premiums in the health insurance marketplaces by providing support for insurers facing high financial losses.
- Strengthen risk adjustment for carriers to keep costs down for consumers and incentivize insurers to remain in the health insurance marketplaces.