
**WRITTEN STATEMENT FOR THE RECORD BEFORE THE
U.S. SENATE COMMITTEE ON FINANCE**

**“The Rising Cost of Health Care: Considering Meaningful Solutions for all
Americans”**

November 19, 2025

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Dear Chairman Crapo, Ranking Member Wyden and members of the U.S. Senate Committee on Finance:

As a leading representative of America’s 36 million small businesses, Small Business Majority is pleased to submit this written statement for the record to underscore the critical role the Affordable Care Act (ACA) and the enhanced premium tax credits (EPTCs) play in expanding access to affordable, quality healthcare for America’s small business community. While the ACA represented a turning point for Main Street, Congress must take immediate action to extend the EPTCs that have significantly reduced healthcare costs and expanded access to coverage for millions of small business owners and employees.

Small Business Majority is a national small business organization that empowers America's entrepreneurs to build a thriving and equitable economy. From our 12 offices across the country, we engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. Our work is bolstered by extensive research and deep connections with the small business community that enables us to educate stakeholders about keys issues impacting America’s entrepreneurs, with a special focus on the smallest and most under-resourced businesses.

The Affordable Care Act revolutionized access to affordable healthcare for small business owners and entrepreneurs

Access to affordable, quality health insurance is essential to the growth and success of small businesses nationwide, as it not only allows entrepreneurs to pursue their ventures with the security of insurance coverage but also helps small businesses attract and retain talented employees. Due to the skyrocketing cost of employer-sponsored coverage options, however, most of our nation’s smallest businesses cannot afford to offer health insurance to their employees. Before the enactment of the ACA in 2010, small business owners, self-employed entrepreneurs and employees of small businesses that did not offer coverage had limited options to purchase affordable, quality healthcare coverage. In many cases, these individuals would either buy limited, high-cost coverage, rely on their spouse’s plan or go without coverage altogether.

However, after the ACA established health insurance Marketplaces in 2014, millions of small business owners and employees gained access to affordable, high-quality coverage, along with premium tax credits that helped make monthly premiums more affordable. Following the implementation of the ACA, the uninsured rate among self-employed entrepreneurs and small business employees has plummeted nearly 10%, from 25.2% in 2013 to a record low of 16.3% in 2022.¹ Marketplace enrollment among the small business community continues to surge in recent years, with small business owners, self-employed entrepreneurs and employees of small businesses with less than 25 employees now making up nearly half

¹ “ACA Drove Record Coverage Gains for Small-Business and Self-Employed Workers.” Center for Budget and Policy Priorities. July 17, 2024. <https://www.cbpp.org/blog/aca-drove-record-coverage-gains-for-small-business-and-self-employed-workers>

(48%) of all enrollees.² This year, 5.2 million small business owners and self-employed entrepreneurs will receive coverage through the ACA Marketplace, up from 3.3 million just three years prior.³

Millions of small business owners will see their premiums double in 2026 if enhanced premium tax credits expire

Recent Marketplace enrollment growth over the last several years has been a direct result of the successful expansion of premium tax credits approved by Congress in 2021 and then extended in 2022. An analysis by the U.S. Department of the Treasury found that 82% of all small business owners and self-employed entrepreneurs enrolled in the Marketplace in 2022 (2.7 million individuals) claimed the premium tax credit.⁴ This includes nearly 300,000 entrepreneurs with incomes above 400% of the federal poverty level who would not have qualified for the credit without these enhancements. More recent data suggests that 4.4 million of the 5.2 million small business owners and self-employed entrepreneurs enrolled in the Marketplace this year receive premium tax credits that lower their premium costs.⁵ The EPTCs have undoubtedly helped lower the cost of coverage for millions of entrepreneurs who previously struggled to afford healthcare and oftentimes went without coverage entirely just so they could keep their business running.

While the EPTCs have lowered costs and expanded access to affordable coverage for Main Street, millions of small business owners and employees enrolled in the Marketplace will see the price they pay for coverage skyrocket by a staggering 114% next year if Congress fails to extend the enhancements by the end of this year.⁶ It's estimated that millions of small business owners enrolled in the Marketplace would lose an average of \$1,500 in premium tax credits if the enhanced credits are not extended – an amount that many entrepreneurs simply can't absorb.⁷ Many small business owners may ultimately face the difficult choice between closing their business to access coverage through a larger employer or going without health insurance altogether to keep their entrepreneurial dream alive. Small business owners understand what's at risk, and that's why our polling found that 74% of small business owners support extending the EPTCs.⁸

To highlight both the critical importance of the ACA and the EPTCs for small business owners, as well as the impact their expiration would have, we have included several quotes from entrepreneurs in our network who rely on these credits each month.

“My employees rely on the Affordable Care Act because my company is too small to be able to get decent pricing if we were to provide a group health insurance option. We have a small team

² “About Half of Adults with ACA Marketplace Coverage are Small Business Owners, Employees, or Self-Employed.” KFF, September 10, 2025. <https://www.kff.org/affordable-care-act/about-half-of-adults-with-aca-marketplace-coverage-are-small-business-owners-employees-or-self-employed/>

³ “Congress’ Failure To Extend Enhanced Premium Tax Credits Will Greatly Increase Health Insurance Costs for Small-Business People.” Center for American Progress, October 28, 2025. <https://www.americanprogress.org/article/congress-failure-to-extend-enhanced-premium-tax-credits-will-greatly-increase-health-insurance-costs-for-small-business-people/>

⁴ “Affordable Care Act Marketplace Coverage for the Self-Employed and Small Business Owners.” U.S. Department of the Treasury Office of Tax Analysis, September 20, 2024. <https://home.treasury.gov/system/files/131/ACA-Mkt-Coverage-Self-Employed-Small-Business-Owners-09232024.pdf>

⁵ “Congress’ Failure To Extend Enhanced Premium Tax Credits Will Greatly Increase Health Insurance Costs for Small-Business People.” Center for American Progress, October 28, 2025. <https://www.americanprogress.org/article/congress-failure-to-extend-enhanced-premium-tax-credits-will-greatly-increase-health-insurance-costs-for-small-business-people/>

⁶ “ACA Insurers Are Raising Premiums by an Estimated 26%, but Most Enrollees Could See Sharper Increases in What They Pay.” KFF, October 28, 2025. <https://www.kff.org/quick-take/aca-insurers-are-raising-premiums-by-an-estimated-26-but-most-enrollees-could-see-sharper-increases-in-what-they-pay/>

⁷ “Congress’ Failure To Extend Enhanced Premium Tax Credits Will Greatly Increase Health Insurance Costs for Small-Business People.” Center for American Progress, October 28, 2025. <https://www.americanprogress.org/article/congress-failure-to-extend-enhanced-premium-tax-credits-will-greatly-increase-health-insurance-costs-for-small-business-people/>

⁸ “The expiration of the ACA’s enhanced premium tax credits will devastate the small business community.” Small Business Majority. <https://smallbusinessmajority.org/policy/new-fact-sheet-expiring-enhancements-aca-s-premium-tax-credit-threaten-affordability-millions-small-business-owners-and-employees>

of four full-time and four permanent part-time employees, plus a pool of more seasonal 'gig workers.' All of those who are insured buy their healthcare coverage through the ACA and rely on the enhanced premium tax credits premiums in order to afford their insurance. When I asked several of my employees what they would do without the enhanced premium tax credit, one told me they would drop their insurance entirely while another said they would likely have to marry their partner just to get on a health plan. My employees should not be forced to make these choices, and I'm afraid that my business wouldn't be able to help them obtain quality insurance if they cannot purchase it on their own."

A small business owner in the special events industry from Portland, OR

"I'm definitely glad to have some support from the federal government when it comes to paying for my health insurance, but even with that support it's still a struggle. The cost keeps going up, about \$100 more every year. Back in 2010, I was paying \$50, maybe \$75 or \$100 per month for my health insurance. I'm single, no kids, and I'm in fairly good health. I eat well, I exercise—so it's frustrating to see the premiums rise while the coverage and services seem to decline year after year. That said, I'm still grateful the Affordable Care Act Marketplace exists. But with the enhanced premium tax credits set to expire, I honestly won't be able to afford my plan if that happens. Right now, I pay about \$550 a month, and that's with tax credits covering around 50%. Without those credits, it would cost close to \$1,000 a month—which I simply couldn't afford. Before the ACA, I only had insurance now and then, when I could scrape together the money. As a freelancer, that was just the reality. The federal subsidy is essential because small businesses—collectively the largest employer in the country—are the backbone of our economy. We are the economic engine that drives growth and opportunity nationwide."

Karin McKie, Owner of Tree Falls Productions in Chicago, IL

"With the enhanced premium tax credits, my \$545 monthly premium is reduced to \$0.00. Without the tax credits, my monthly premiums could cost me close to \$1000/month. That's simply unaffordable. At that point, it would be more cost-effective for me to drop my insurance and self-insure, like I did for years before this year. If I have to choose between health insurance and a place to live and work, I'll choose a home."

Nance L. Schick, Owner of Third Ear Conflict Resolution, New York, NY

"I get my health coverage through Connect for Health Colorado and I receive the enhanced PTC which covers 90% of my \$400 monthly premium. This is very important as I need health coverage to recover from being hit by a car as a pedestrian. I'm able to keep running my business while receiving the healthcare I need."

Sydney Jackson-Clockston, Owner of Citrine Unlimited in Fort Collins, CO

"As a self-employed individual, my premium is \$340 per month. Without the tax credits, I would pay over \$1200 per month for my coverage. This is hugely important to me as someone with a muscle disease, Spinal Muscular Atrophy, that requires health insurance to treat. I'm on medication that prevents its progression and without it, I may lose the ability to walk."

Courtney Vargas, Owner of Empower Independent Living Services in Santa Rosa, CA

"My name is Andrea Deutsch, and I am the mayor of Narberth, Pa., where I am also the owner of Spot's - The Place for Paws, a pet store that I have created and worked for the past 22 years. I am also a Type 1 diabetic and must have health insurance in order to get the medical care I need to remain alive and healthy. Thanks to the Affordable Care Act, I can no longer be outright denied health insurance as a person with a pre-existing condition. Thanks to the enhanced tax credits, I still pay over \$700 a month for my health insurance, but it is manageable. Without the enhanced tax credits, I would be paying approximately \$1,400 per month for my same plan."

The cost of the plan goes up every year, so it may even be more next year. Keep in mind, this plan is not for the care of an entire family. It is simply to cover a single individual - me. This would be incredibly burdensome for me as a small business owner to sustain, and would be increasingly difficult as costs rise. I am not alone in this struggle. The crushing weight of the cost of health insurance, without the enhanced tax credits, threaten the ability of small businesses such as mine to exist. I am, consequently, asking Congress to affirm their commitment to stand with small business and to continue to support the enhanced tax credits.”

Andrea Deutsch, Owner of Spot's - The Place for Paws in Narberth, PA

Stricter limitations on Marketplace coverage will further restrict access to affordable coverage for Main Street

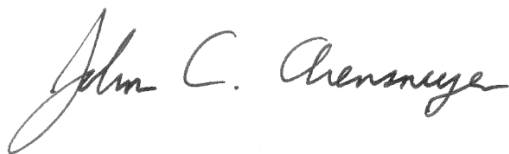
While America’s small business community will feel the direct impacts of rising premium costs if the EPTCs are not extended, additional limitations on Marketplace coverage implemented through the enactment of H.R. 1 and the Centers for Medicare & Medicaid Services’ (CMS) Marketplace Integrity and Affordability Final Rule will undoubtedly create additional barriers to affordable coverage. Small Business Majority is particularly concerned about the provisions which shorten the open enrollment period by two weeks for plan year 2027 and impose stricter income verification and eligibility determinations. Small business owners typically face their busiest season from November through December, raising concerns about ending open enrollment in the middle of the holidays rather than maintaining the current period that runs through January 15.

Additionally, Small Business Majority is concerned that stricter income verification requirements could disproportionately affect entrepreneurs, whose incomes often fluctuate monthly or yearly, making it challenging to provide an accurate estimate of their expected annual earnings. These changes, paired with the expiration of the EPTCs, will undoubtedly lead to the loss of healthcare coverage for millions of small business owners, self-employed entrepreneurs and small business employees who rely on the Marketplace for coverage each year.

Small business owners and employees across the country are already experiencing the sticker shock of rising premiums as ACA Marketplace open enrollment began on November 1 without an extension of the EPTCs. Allowing these enhancements to expire would be nothing short of a disaster for our nation’s small business economy, which depends on access to affordable, quality healthcare to keep its doors open. If Congress is serious about supporting America’s small businesses, lawmakers must reevaluate the importance of the ACA for Main Street businesses and immediately extend the EPTCs before it’s too late. Healthy businesses are sustainable businesses, and without support from Congress, our business community will be hit disproportionately hard given about half of the ACA Marketplace enrollees own or work for small businesses.

For any questions or additional information, please contact our Government Affairs Director, Alexis D’Amato, at adamato@smallbusinessmajority.org.

Sincerely,



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