

March 2, 2021

The Honorable Chuck Schumer
Majority Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
S-230, The Capitol
Washington, D.C. 20510

RE: Healthcare provisions in the American Rescue Plan that will benefit small businesses

Dear Leader Schumer and Leader McConnell:

As a leading representative of America's 30 million small businesses, we offer our strong support for key healthcare provisions in the American Rescue Plan that are essential to expanding access and lowering healthcare costs for our nation's small businesses at this critical time.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 80,000 small businesses and 1,000 business organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

We believe the stimulus plan includes vital measures that will strengthen access to healthcare and lower costs for small businesses and their employees. This is especially important right now as more than 1 in 3 small businesses report it's been a challenge to get health insurance coverage for themselves and their employees during the pandemic, according to recent research from Small Business Majority.¹ This has been even more of a barrier for entrepreneurs of color (50% Black, 44% AAPI, and 43% Latino say this has been a challenge).

Make healthcare more affordable

This is why we strongly support the inclusion of provisions to strengthen the current system of health insurance subsidies that has helped make healthcare more affordable for many entrepreneurs. In particular, ensuring ACA enrollees pay no more than 8.5% of their income on health insurance premiums and expanding the subsidies available for people earning more than 400% of the Federal Poverty Level will make health coverage more accessible to small business owners and employees who are struggling to afford coverage.

Strengthen Medicaid

Additionally, the proposal to strengthen Medicaid will help low- to moderate-income entrepreneurs and small business employees who currently lack access to health coverage, but don't make enough to access healthcare through the individual or small group marketplaces. It's important to note this proposal finds strong support among small business owners—nearly 3 in 4 support expanding Medicaid eligibility in all states.

Expand COBRA coverage

And lastly, expanding support for COBRA coverage for those who have been impacted by the pandemic will benefit small businesses that have been forced to lay off employees or cut benefits in order to keep their doors open. Six in 10 small employers who laid off employees last year recently reported that they

¹ "Small businesses continue to face closures in 2021," Small Business Majority, January 27, 2021
<https://smallbusinessmajority.org/our-research/small-businesses-continue-face-closures-2021>

haven't restored their employee headcount to pre-pandemic levels. What's more, nearly 1 in 5 (16%) of all small business owners say they plan to make changes or reduce healthcare coverage in the next few months.

[More than half](#) of all healthcare marketplace enrollees own or work for a small business, so expanding the benefits of the marketplaces is essential to our nation's entrepreneurs at this critical time. We strongly urge your support for these provisions that are essential to the health and vitality of our nation's hardworking entrepreneurs. In addition, we recommend making these provisions permanent, rather than just providing these for a two-year term, in order to provide small businesses, entrepreneurs, and employees with access to the affordable coverage they need for their health and financial security.

Sincerely,



John Arensmeyer
Founder and CEO

cc:

The Honorable Patty Murray: Chair, Senate
Committee on Health, Education, Labor &
Pensions

The Honorable Richard Burr: Ranking Member,
Senate Committee on Health, Education, Labor
& Pensions