



**National Association
for the Self-Employed**

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**Statement for the Record
Submitted to the Ways and Means Committee
United States House of Representatives
Washington, D.C.**

“Status of the Affordable Care Act Implementation”

**Submitted by
National Association for the Self-Employed
July 31, 2013**

The National Association for the Self-Employed (NASE), the nation’s leading advocate and resource for the self-employed and micro-businesses, respectfully submits this official statement for the record on the committee’s hearing relating to the status of the Affordable Care Act implementation held on Thursday, August 1, 2013. For the 22 million self-employed Americans, making up **78% of all small business in the United States**, we appreciate the opportunity to contribute our voice and perspective to the national conversation regarding the implementation of the Affordable Care Act.

The self-employed represent the largest segment of the small business community and increasing out-of-pocket expenses on this sector will have an immediate and negative impact on their business and household income. In our June 2012 *Access to Health Coverage and Attitudes in Health Reform: A Self-Employed Perspective*, an overwhelming majority (84.9%) of the respondents indicated that rising health coverage costs have been detrimental not only to themselves and their families but also to their business over the past three years. Most acute has been the “bottom line” impact — 53.9% say rising health coverage costs have cut their household income. Significant responses are also seen for having to scale back/drop health coverage (37.5%). Business-specific impacts are also clearly illustrated: 27.4% say their “business is struggling to survive,” and more than one-in-ten say they have cancelled/put on hold plans to hire new employees and/or expand their business.

For the past year, the NASE has highlighted the importance of a successful design and implementation of the Exchange Marketplaces, as an estimated nearly 6.2 million currently uninsured self-employed individuals will shop and purchase their health insurance starting on October 1, 2013. To date, we have been frustrated with the Exchange Marketplaces’ design and implementation receiving little or incomplete information from both states and the federal government on key items, including estimated health insurance premium costs for 2014.

The NASE believes that the Exchange Marketplaces could create an effective pooling mechanism to improve access and affordability of coverage for the individuals and the self-employed. Exchanges could make shopping for health coverage easier for the self-employed since they must ensure that information and pricing about health coverage options are in an easy-to-understand, plain English format to allow for

consumers to adequately compare and shop for coverage. However, if not designed properly with the right incentives, could lead to minimal plan options and participation, negatively impacting cost of coverage.

The NASE continues to express concerns about the lack of concrete information, including premium costs, available to the consumer regarding the Exchange Marketplace - the ability for the self-employed to budget accordingly and make informed decisions as to the best options for themselves, their family, and their business is falling short. As a result, the NASE supported efforts last week to delay the individual mandate requirement, specifically a delay in the penalty aspect of the mandate requirement. A one-year delay of the mandate would permit for the Exchange Marketplace to launch accordingly to schedule, but also allow the consumer ample opportunity to make an informed decision as to the best health care option.

Additionally, the NASE believes that the Administration's decisions to delay the employer mandate for one-calendar continues to emphasize the disparity faced by America's 22 million self-employed: America's smallest business community, the self-employed and micro-businesses, continues to bear the brunt of the implementation requirements, while big business receives a reprieve. We strongly urge Congress take immediate action to delay the individual mandate and champion parity for the self-employed.

We continue to appreciate the Committee's willingness to discuss the current status of the Affordable Care Act implementation and its impact on the small business community, and thank them for their dedication to America's small business community.