U.S. SENATE COMMITTEE ON
SMALL BUSINESS
& ENTREPRENEURSHIP

RANKING MEMBER EDWARD J. MARKEY

Democrats Are Fighting for Health Care for Small Business Owners and Their Employees

Democrats are fighting every single day to protect access to affordable health care for small businesses. This year, 22 million Americans, including over 10 million small business owners and their employees, received enhanced premium tax credits to help afford health insurance through the Affordable Care Act (ACA). Because Republicans have blocked Democrats' efforts to extend the credits, they will expire on December 31, doubling or tripling the cost of next year's premiums compared to 2025. The loss of these tax credits follows Republicans' historic Medicaid cuts this summer, which will slash Medicaid coverage for 8 million small business owners and workers. **Small businesses and families are already struggling to survive in Trump's economy. While Republicans are fighting for CEO billionaires, Democrats are fighting to protect access to affordable health care for all.**

Background: Health insurance is essential for American families and small businesses. Everyone should have access to affordable health care—not just the wealthy few.

- Democrats expanded the ACA's premium tax credits in 2021, allowing more small business owners and their employees access to affordable health insurance than ever before.
- According to new analysis from Small Business and Entrepreneurship Committee Democrats, **more than 10 million small business owners and their employees** enrolled in ACA health care plans rely on enhanced premium tax credits to afford health insurance.
    - **4.2 million small business owners** receive the credits.
    - Nearly **60,000 small business owners in Massachusetts** rely on the credits to afford health insurance. See *page 3* for full state-level data.
    - Nearly **6 million small business employees** receive the credits.

Because Republicans have blocked the extension of enhanced premium tax credits, small businesses will be hit with higher health care costs or lose coverage altogether.

The over 10 million small business owners and their employees who get coverage through ACA plans will see their annual premiums increase an average of 114%, or $1,016, in 2026.[i]

- 447,000 small business owners with annual incomes above $62,600 for an individual or $128,600 for a family of four (400% of the federal poverty level) will no longer be eligible for premium tax credits.[ii]
- 3.8 million small business owners will face reduced tax credits.
- Several Marketplace plans have increased premium costs because of the uncertainty created by Trump's tariff policies.[iii]

An additional 630,000 small business owners and over **7.5 million small business employees** who rely on **Medicaid** will face barriers to coverage.[iv]

Personal Stories:

Chris Edmundson, **Colorado small business owner on Medicaid**:

"Medicaid is the only way for student physical therapists to access healthcare coverage while in school. Without this coverage, some of our employees would likely have been discouraged from pursuing the type of advanced degree necessary to work in our business. We are already confronted with a considerable provider shortage in our profession. Reducing Medicaid's accessibility would only exacerbate our provider shortage. We urge federal policymakers to maintain Medicaid funding so that small businesses like mine have access to the workforce we need to serve our communities."

Melody A., **Massachusetts small business owner on ACA enhanced premium tax credits**:

"I have a small woman-owned business in Western Massachusetts… I am also a veteran from the Army Guard of Massachusetts. I have a small workforce and when I was told we all had to have health insurance, the Health Connector was my lifeline.[v] The Health Connector and [premium] tax credits made this affordable and possible not just for myself, but my workers. Some of my workers have families… The Health Connector was a lifeline for me because this past year I had a cerebral stroke and thank goodness I had the coverage to cover this life-threatening episode and did not have to worry about the bills. I just needed to focus on getting well."

Janna Rodriguez, New York small business owner on Medicaid:

"If Medicaid access is reduced, we are accelerating that [health care] crisis and making it nearly impossible for small child care businesses like mine to maintain quality and consistency. At its core, this is about equity and sustainability. Childcare is essential infrastructure—economic, educational, and social. If we are serious about stabilizing this sector, we must protect Medicaid and treat health care access as a baseline support for our workforce. As a business owner and community advocate, I'm dedicated to creating a stable, respectful, and nurturing workplace for my team. But without Medicaid, I have no alternative to offer them—and that puts the entire foundation of our care model at risk."

Chrysa Ostenzo, Wisconsin small business owner on ACA enhanced premium tax credits:

"As small business owners, we had been used to spending around 20–25% of our income, over $30,000 per year, on health care. The American Rescue Plan reduced that percentage to 8.5%, allowing us to finally get some relief. Some of my employees were able to afford insurance for the first time in years. It is critical that Congress extend, indefinitely, the 8.5% provision so that people don't have to wonder from year to year whether they will have health care or not."

State	# of Small Business Owners Receiving Enhanced Premium Tax Credits, 2025	State	# of Small Business Owners Receiving Enhanced Premium Tax Credits, 2025
Florida	872,872	New York	35,033
Texas	672,051	Kansas	34,425
California	406,812	Connecticut	34,358
Georgia	266,571	Iowa	29,495
North Carolina	142,800	Arkansas	27,945
Tennessee	110,205	Nebraska	27,679
Pennsylvania	98,236	Oregon	25,025
New Jersey	92,097	Minnesota	22,713
Michigan	90,139	Nevada	21,440
South Carolina	89,376	Idaho	21,165
Illinois	86,756	Kentucky	19,276
Ohio	84,675	Montana	15,416
Alabama	82,450	New Hampshire	13,534
Missouri	75,055	New Mexico	13,067
Arizona	63,675	West Virginia	12,408
Virginia	60,291	Maine	12,320
Massachusetts	56,952	South Dakota	11,250
Louisiana	56,400	North Dakota	8,798
Wisconsin	54,697	Wyoming	8,190
Indiana	54,112	Delaware	8,080
Oklahoma	51,156	Vermont	7,917
Washington	50,932	Hawaii	7,533
Mississippi	48,872	Rhode Island	6,450
Utah	46,116	Alaska	4,800
Colorado	44,928	District of Columbia	1,360
Maryland	39,600	**Total**	**4,236,694**

States in red were won by President Trump in the 2024 Presidential election, and in blue were won by Vice President Harris. Calculations informed by projected state enrollment from the Center on Budget and Policy Priorities (CBPP) for 2025, and 2023 Treasury data.[vi]

[i] Justin Lo et al., *ACA Marketplace Premium Payments Would More than Double on Average Next Year if Enhanced Premium Tax Credits Expire*, KFF (Sep. 30, 2025), https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/.
[ii] *Affordable Care Act Marketplace Coverage for the Self-Employed and Small Business Owners*, U.S. Dep't of the Treasury (Sep. 20, 2024), https://home.treasury.gov/system/files/131/ACA-Mkt-Coverage-Self-Employed-Small-Business-Owners-09232024.pdf.
[iii] Matt McGough et al., *Tariffs Are Driving up Premiums for Small Businesses*, KFF (Aug. 25, 2025), https://www.kff.org/health-costs/tariffs-are-driving-up-premiums-for-small-businesses/.
[iv] Joan Alker & David Chase, *Medicaid is a Critical Insurer for Small Business*, Center for Children and Families and a Research Professor at the Georgetown McCourt School of Public Policy (June 26, 2025), https://ccf.georgetown.edu/2025/06/26/medicaid-is-a-critical-insurer-for-small-business/.
[v] The Health Connector serves as Massachusetts' ACA Marketplace.
[vi] Gideon Lukens, *Research Note: 5 Million Small Business Owners and Self-Employed Workers Likely Enrolled in ACA Marketplace in 2025*, Ctr. on Budget and Pol'y Priorities (June 12, 2025), https://www.cbpp.org/research/health/5-million-small-business-owners-and-self-employed-workers-likely-enrolled-in-aca; *see also Affordable Care Act Marketplace Coverage for the Self-Employed and Small Business Owners in 2023*, U.S. Dep't of the Treasury (Jan. 14, 2025), https://home.treasury.gov/system/files/131/ACA-Mkt-Coverage-Self-Employed-Small-Business-Owners-2023-01142025.pdf.