



**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  
October 29, 2013**

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The National Association for the Self-Employed (NASE), the nation’s leading advocate and resource for America’s self-employed and micro-businesses nationwide, respectfully submits this official statement for the record on the committee’s hearing held on Tuesday, October 29, 2013. On behalf of the 23 million self-employed Americans (**78% of all small business in the United States**) and micro-business owners nationwide, we appreciate the opportunity to contribute our voice and perspective to the continuing conversation regarding the open enrollment launch of the Affordable Care Act’s (ACA) Individual Exchange Marketplace.

Increasing out-of-pocket expenses on the self-employed, the largest segment of the small business sector, has an immediate and negative impact on their business and household income. In our June 2012 survey, *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 to their families and their business over the past three years. Of all of these detrimental impacts faced by small business owners, the most acute has been the “bottom line” impact on both their personal household and business financial budgets. In fact, 53.9% say the rising cost of health care coverage has had a significantly negative impact on their household income. Additionally, 37.5% of respondents suggest having to scale back or drop health care coverage all together. Business-specific impacts are also clearly realized: 27.4% say their “business is struggling to survive,” and more than one in ten say they have cancelled or put on hold plans to hire new employees and/or expand their business due, in part, to their fears surrounding the rising cost of health care.

Leading up to the October 1, 2013 launch of the Exchange Marketplace, the NASE continued to express concern about the continued consumer confusion over costs and requirements under the “individual responsibility” aspects of the ACA. In September 2013, we gathered concrete data from our members reinforcing our concern about the lack of understanding among a large number of small business owners regarding the impact of the ACA. This analysis underscored that our members lacked the most vital piece of information in determining their participation in the Exchange Marketplace: monthly premium costs. In fact, 93.3% of respondents indicated that monthly premium costs would be a determining factor in their decision to participate in the Exchange Marketplace. This is key since 69.1% of respondents indicated that as self-

employed individuals they had not been able to purchase affordable, comprehensive health care coverage previously.

Now, four weeks into the launch of the Exchange Marketplace, self-employed individuals are being hamstrung by a broken computer system that still thwarts them from acquiring the most basic information, **monthly premium costs**.

Today, the National Association for the Self-Employed is calling on Congress to act. We strongly believe that a prudent and responsible approach to addressing the chronic software and access deficiencies of the Exchange Marketplace, both at the State and Federal levels, would be to:

1. *Eliminate the open enrollment deadlines for the 2014 calendar year*
2. *Delay the individual mandate penalty for one tax-filing year*

The elimination of the open enrollment deadline would allow for self-employed Americans to have the necessary time to become well informed in order to make the necessary decisions regarding their 2014 health care needs. In addition, the extended period will also provide the Department of Health and Human Services (HHS) adequate time to fully correct any software issues related to the Individual Marketplace and the soon-to-be launched Small Business Health Option Program (SHOP). While HHS has offered a minor reprieve in extending the enrollment period through March 31, 2014, we believe providing a full calendar year open enrollment cycle seems logical to ensure the necessary numbers of enrollees are met despite the continued difficulties individuals are facing trying to navigate healthcare.gov enrollment website.

In regards to the delay of the individual mandate penalty, the NASE has argued since July 2013 that it is only equitable and fair to also delay the individual mandate given the Administration's decision to delay the employer mandate for one calendar year. Given the significant technological challenges faced by millions of individuals attempting to enroll in the Exchange Marketplace, the delay in the individual penalty is not only a common-sense approach to addressing these challenges, but also illustrates a good faith gesture by the Administration and Department of Health and Human Services regarding the viability of the ACA for all Americans.

The NASE strongly urges Congress to immediately adopt both of these practical proposals. By doing so, America's small business owners will be able to make effective, informed decisions relating to their 2014 health care coverage. Without these suggested proposals, our members are being forced into making a potentially ill-informed decision that could threaten their livelihood.

We sincerely thank the Committee for their willingness to discuss the current state of the implementation of the Affordable Care Act. We look forward to working together to ensure 23 million self-employed American's receive fair and equitable access to affordable health care.