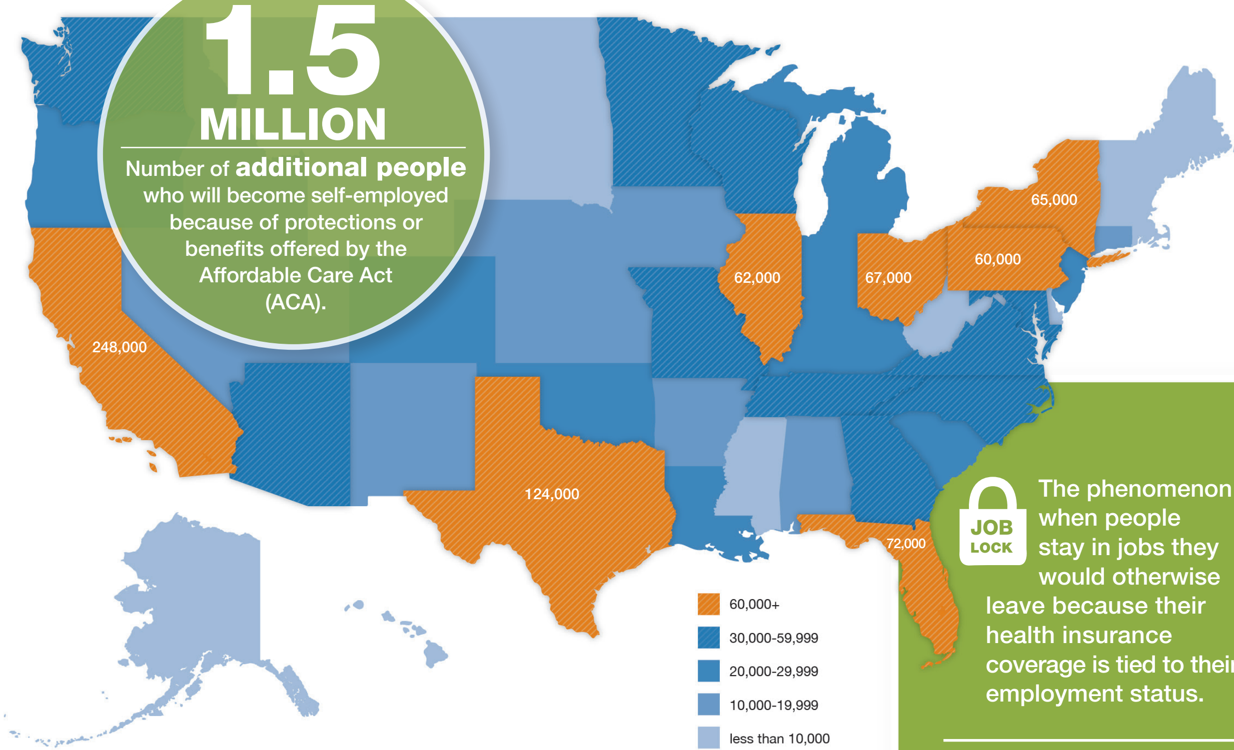
May 2013

ACA Is Estimated to Significantly Increase the Number of People Who Start Their Own Businesses

Robert Wood Johnson Foundation

1.5 MILLION

Number of **additional people** who will become self-employed because of protections or benefits offered by the Affordable Care Act (ACA).



ACA provisions for individually purchased insurance enable more people to start their own businesses:

- No applicant can be turned down because of a preexisting condition
- Individuals cannot be charged higher premiums because of their health status
- Insurers must offer plans with a comprehensive set of essential health benefits
- Tax credits to help low- or moderate-income individuals and families reduce premium costs
- Help with the costs of deductibles and co-pays for those with low-incomes
- Expanded Medicaid for those with the lowest incomes, depending on state decisions

JOB LOCK The phenomenon when people stay in jobs they would otherwise leave because their health insurance coverage is tied to their employment status.

On average, employers contribute close to **80%** of the cost of a single health insurance premium.

Under the ACA, access to stable, high-quality, affordable health insurance **will not** be exclusively tied to employment.

How Many Additional People in Each State Will Be Self-Employed Due to the ACA?

Alabama	16,000	Montana	9,000
Alaska	4,000	Nebraska	13,000
Arizona	39,000	Nevada	13,000
Arkansas	13,000	New Hampshire	7,000
California	248,000	New Jersey	26,000
Colorado	27,000	New Mexico	12,000
Connecticut	17,000	New York	65,000
Delaware	2,000	North Carolina	33,000
District of Columbia	3,000	North Dakota	6,000
Florida	72,000	Ohio	67,000
Georgia	56,000	Oklahoma	23,000
Hawaii	5,000	Oregon	28,000
Idaho	11,000	Pennsylvania	60,000
Illinois	62,000	Rhode Island	3,000
Indiana	29,000	South Carolina	21,000
Iowa	19,000	South Dakota	8,000
Kansas	15,000	Tennessee	34,000
Kentucky	20,000	Texas	124,000
Louisiana	24,000	Utah	13,000
Maine	6,000	Vermont	0
Maryland	30,000	Virginia	43,000
Massachusetts	0	Washington	30,000
Michigan	27,000	West Virginia	6,000
Minnesota	34,000	Wisconsin	34,000
Mississippi	8,000	Wyoming	4,000
Missouri	31,000		

Note: Pre-reform estimates based upon a 2-year merged file of the 2011 and 2012 Current Population Survey data (data years 2010 and 2011), reweighted to reflect the size of the 2011 population, then increased for expected population growth to 2014 and rounded to the nearest 1,000 people.

The Center on Health Insurance Reforms
Georgetown University Health Policy Institute

Urban Institute