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Research Note: 5 Million Small Business Owners and Self-Employed Workers Likely Enrolled in ACA Marketplace in 2025

By Gideon Lukens

The Affordable Care Act (ACA) marketplaces are a key source of coverage for small business owners and self-employed workers, filling gaps that limited affordable coverage options for these enrollees prior to the ACA.[1] The enhanced premium tax credits played an important role in further driving down their uninsured rates to record lows in 2023. According to tax return data from the U.S. Treasury Department, small business owners and self-employed workers are disproportionately likely to be enrolled in the marketplaces, consistently comprising about 1 in 4 marketplace enrollees as marketplace enrollment grew substantially in recent years.[2]

Since 2023, the most recent year of Treasury data, overall marketplace enrollment has grown even more.[3] We present state-level projections of enrollment among small business owners and self-employed workers for 2025, based on state-by-state growth in marketplace enrollment since 2023. Results show that roughly 5 million small business owners and self-employed workers will likely be enrolled in the marketplaces at some point during 2025. (See Table 1.)

But these gains could soon reverse. Marketplace open enrollment roughly doubled since 2021, when premium tax credit enhancements were implemented. If policymakers allow the enhancements to expire at the end of 2025, the Congressional Budget Office (CBO) estimates that 4.2 million people would become uninsured.[4]

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[1] Gideon Lukens, "ACA Drove Record Coverage Gains for Small-Business and Self-Employed Workers," CBPP, July 17, 2024, https://www.cbpp.org/blog/aca-drove-record-coverage-gains-for-small-business-and-self-employed-workers.

[2] Department of Treasury estimates for 2021-2023. https://home.treasury.gov/system/files/131/ACA-Mkt-Coverage-Self-Employed-Small-Business-Owners-2023-01142025.pdf; https://home.treasury.gov/system/files/131/ACA-Mkt-Coverage-Self-Employed-Small-Business-Owners-09232024.pdf; https://home.treasury.gov/system/files/131/Small-Business-Health-Care-Coverage-2021.pdf.

[3] CMS Marketplace Open Enrollment Period Public Use Files, https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2025-marketplace-open-enrollment-period-public-use-files.

[4] Congressional Budget Office, Letter to the Honorable Ron Wyden, Frank Pallone, Jr., and Richard Neal, June 4, 2025, https://www.cbo.gov/system/files/2025-06/Wyden-Pallone-Neal_Letter_6-4-25.pdf.

CBO also estimates that the House reconciliation bill would lead to an additional 4 million people becoming uninsured due to marketplace cuts and 7.8 million people uninsured due to Medicaid cuts.[5] The so-called "Big Beautiful Bill" is anything but beautiful; these cuts would cause widespread harm by making it much harder for people to afford the high cost of health care.

Medicaid is a key source of coverage for small business owners and self-employed workers, with many gaining coverage through the Medicaid expansion group, which would bear a disproportionate share of the coverage losses under the bill. Millions of small business owners and self-employed workers would be among those losing coverage.

TABLE 1

Projected Number of Small Business Owners and Self-Employed Workers With Marketplace Coverage, 2025

State	Small Business Owners	Self-Employed Workers	Either
Alabama	79,100	50,300	97,000
Alaska	5,200	2,800	6,000
Arizona	70,400	43,300	84,900
Arkansas	28,600	16,100	34,500
California	413,600	250,600	484,300
Colorado	51,200	32,700	62,400
Connecticut	35,500	22,700	41,900
Delaware	8,600	5,400	10,100
District of Columbia	3,000	2,800	4,000
Florida	778,800	539,200	991,900
Georgia	270,800	163,300	329,100
Hawai'i	8,000	5,000	9,300
Idaho	20,900	10,900	24,900
Illinois	84,600	58,800	105,800
Indiana	59,000	34,900	71,200
Iowa	30,600	15,500	34,700
Kansas	33,600	20,700	40,500
Kentucky	20,600	11,600	24,400
Louisiana	59,100	33,000	70,500
Maine	13,100	8,100	15,400
Maryland	45,100	28,900	55,000
Massachusetts	76,500	48,600	90,400
Michigan	94,800	60,700	114,100
Minnesota	29,200	16,800	33,900

[5] CBPP, "By the Numbers: House Bill Takes Coverage Away from Millions of People and Raises Families' Health Care Costs," updated June 6, 2025, https://www.cbpp.org/research/health/by-the-numbers-house-bill-takes-health-coverage-away-from-millions-of-people-and.

TABLE 1

Projected Number of Small Business Owners and Self-Employed Workers With Marketplace Coverage, 2025

State	Small Business Owners	Self-Employed Workers	Either
Mississippi	45,700	30,400	59,600
Missouri	74,600	44,900	88,300
Montana	16,400	8,400	18,800
Nebraska	28,200	13,500	31,100
Nevada	22,400	14,400	26,800
New Hampshire	17,400	11,200	20,200
New Jersey	95,500	59,500	113,700
New Mexico	14,900	9,600	17,900
New York	55,200	34,800	66,100
North Carolina	136,200	91,300	168,000
North Dakota	9,500	4,400	10,600
Ohio	92,700	59,100	112,900
Oklahoma	48,900	28,200	58,800
Oregon	27,800	17,100	32,500
Pennsylvania	101,100	63,400	119,800
Rhode Island	7,100	4,800	8,600
South Carolina	87,500	54,500	106,400
South Dakota	11,100	5,500	12,500
Tennessee	113,500	75,200	139,500
Texas	665,400	401,900	809,700
Utah	45,600	24,700	54,900
Vermont	7,800	4,800	9,100
Virginia	65,200	41,000	78,300
Washington	63,000	39,200	74,900
West Virginia	11,800	7,400	14,100
Wisconsin	55,300	34,300	65,900
Wyoming	7,800	4,100	9,100
Total	**4,248,700**	**2,671,600**	**5,166,700**

Note: Estimates rounded to the nearest hundred. See methodology below.
Source: CBPP analysis of Treasury Department tax return estimates for 2023, and Centers for Medicare & Medicaid Services marketplace open enrollment data for 2023 and 2025.

Methodology

For each state, enrollment is projected from 2023 to 2025 by assuming that enrollment of small business owners and self-employed workers grows at the same rate as the state's overall marketplace enrollment. Treasury data for 2023 represent the number of small business and self-employed workers ever enrolled during the year, with small business ownership and self-employment defined based on income and other tax data.[6]

Projections are uncertain, given substantial enrollment increases from 2023 to 2025. However, Treasury data for 2021-2023 show the share of marketplace enrollment composed of small business and self-employed workers was quite stable at a time when overall marketplace enrollment grew considerably over this period. Using the same methodology from 2021 to 2023 produced 2023 projections of small business owners and self-employed workers that are very close to actual 2023 enrollment, both at the state and national level. Further, analysis of American Community Survey data among self-employed workers by income level indicates ample room for future coverage gains.

[6] Department of Treasury estimates for 2023. https://home.treasury.gov/system/files/131/ACA-Mkt-Coverage-Self-Employed-Small-Business-Owners-2023-01142025.pdf.