



## Small business could lose Obamacare subsidies in Supreme Court case

By [Robert King](#)

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Small businesses would be hit hard if the Supreme Court strikes down Obamacare subsidies in certain states, according to the left-leaning think tank Urban Institute.

If the subsidies go away, a majority of the people affected would be workers at small businesses, the Institute announced in a new analysis released Wednesday.

The court will rule in June on the case *King v. Burwell*, which deals with whether the federal government has the authority provide subsidies to the 34 states that didn't set up their own exchanges.

"The number of uninsured in these states would increase by a total of 8.2 million people in 2016," according to testimony from Linda J. Blumberg, senior fellow at the Urban Institute, at a Senate hearing Wednesday.

Of that 8.2 million, 63 percent, or 5.8 million people, have at least one family member employed by a small business.

"Of these 5.8 million people, 4.1 million, or 70 percent, would become uninsured," Blumberg testified. In addition about 2.5 million people in self-employed families would lose tax credits, 1.6 million of which would become uninsured.

If the subsidies go away, these people would face much higher premiums that would be difficult to afford, Blumberg said.

The Urban Institute relied on data from its Health Reform Monitoring Survey for the analysis.

Congress has bandied about several different proposals for what to do if the high court rules for the plaintiffs in June. So far the GOP has not reached a consensus on any proposal to maintain the public subsidies for private purchases of health insurance.

The administration could issue hardship waivers to people who lose subsidies to let them get more low-cost "catastrophic" plans, Michael Cannon, director of health policy studies at the libertarian think tank Cato Institute, said during the hearing.

However, the Obama administration has neglected to offer any plan B if King v. Burwell doesn't go their way.

Cannon said this is a tactic to "intimidate the court" by drumming up dire consequences if the subsidies are struck down.