



ACA Repeal Could Be Bad News For Gig Economy

Insights

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The replacement for the Affordable Care Act (ACA) – the American Health Care Act (AHCA) – recently passed the House and is now being considered by the Senate. It has the full support of the president, and barring any significant amendments, President Trump will no doubt sign it into law if it passes the Senate. Many independent workers, including those working in the gig economy, are worried because of a belief that a repeal of the ACA could have a huge impact on the way they work.

Many credit the ACA with fueling the explosion of independent workers – on-demand workers, budding entrepreneurs, consultants, freelancers, etc. With rising employer healthcare costs under the ACA, many businesses shifted their focus to hiring independent workers with a variety of skill sets to avoid paying for healthcare. At the same time, workers who previously suffered “job-lock” – remaining in jobs out of a fear of losing health coverage – found themselves with a way to obtain health insurance coverage through ACA marketplaces and left jobs to enter the independent, non-employee workforce.

Access to health insurance, for most gig workers, could change very soon if the ACA is repealed. And gig workers are worried. In [a recent article in the Harvard Business Review](#), Diane Mulcahy, author of [*The Gig Economy: The Complete Guide to Getting Better Work, Taking More Time Off, and Financing the Life you Want*](#), summed up the issue as follows: “The repeal of the ACA without a comparable replacement will bring America back to the days when obtaining health insurance essentially meant working in a traditional job for a single employer and employees were reluctant to strike out on their own for fear of losing their insurance. Independent workers would be left with the limited health insurance options they faced years ago: either buying a costly private health plan that doesn’t cover preexisting conditions, includes caps on maximum benefits payouts, and could even be rescinded after an enrollee becomes sick, or searching for increasingly scarce jobs from companies that are more and more reluctant to hire full-time employees.”

President Trump has long been a proponent of entrepreneurs and the free labor market. However, his plan to roll back the ACA has [many gig workers and entrepreneurs asking](#) how he intends to ensure that entrepreneurs and those contributing to the labor force via the gig economy can afford health care. The answer could have a dampening effect on the rise of the gig economy.

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