

# Why the Affordable Care Act Matters for Women: Improving Health Coverage for Lower-Income Women

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Prior to the passage of the Affordable Care Act (ACA), the cost of health insurance placed a particular burden on lower-income women who needed health care services but often struggled to pay premiums and out-of-pocket costs. The problem was exacerbated because many insurers charged women higher rates simply because of their gender. The ACA dramatically improves access to affordable health care for lower-income women by expanding access to Medicaid, reining in premium increases, making preventive services more affordable and making health coverage more reliable.

## Expanding and Improving Medicaid and Medicare

### Medicaid

Medicaid provides essential care for women throughout their lives, from family planning and maternal health services to nursing home care. The ACA is helping to close gaping holes in the nation's safety net.

- ▶ Under the ACA, states are encouraged to expand eligibility for their Medicaid programs to include individuals and families with household incomes up to 138 percent<sup>1</sup> of the Federal Poverty Level (FPL).
  - ▶ In 2015, in states that have expanded their Medicaid programs, an individual earning up to \$16,243 annually qualifies for Medicaid, as does a family of four with an annual income of up to \$33,465.<sup>2</sup>
  - ▶ Thanks to the ACA, millions more people may now qualify for Medicaid's comprehensive health coverage and strong cost-sharing protections.<sup>3</sup>
- ▶ The ACA improves the way health services are delivered by giving states the option to provide care to Medicaid beneficiaries with chronic conditions through patient-centered medical homes, where a team of health professionals works together to provide coordinated, comprehensive care.
- ▶ For women of reproductive age the news is even better – the law allows states to

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permanently expand access to family planning services for lower-income women through State Plan Amendments, rather than through the federal waiver process.<sup>4</sup> Twenty-eight states have already expanded access to these services.<sup>5</sup>

## Medicare

Thanks to the ACA, Medicare beneficiaries are now eligible for an annual wellness check-up without any copays. These wellness check-ups include time for health care providers to review a wide range of health information with patients and create personalized prevention plans.<sup>6</sup>

## Improved Care for People Who Are Eligible for Both Medicare and Medicaid

Women eligible for both Medicare and Medicaid (known as “dual eligibles”) are some of the most vulnerable beneficiaries; they often require the most care at the highest cost. Lack of coordination between Medicare and Medicaid can further complicate their care.

- ▶ The ACA established a demonstration project to test programs that fully integrate care for dual eligibles. Since 2013, many states have been working with the federal government to pilot new models of care for this population.<sup>7</sup>
- ▶ The ACA also established a new office within the Centers for Medicare and Medicaid Services – the Federal Coordinated Health Care Office – to improve coordination between Medicare and Medicaid for dually eligible beneficiaries.

## Protections and Benefits in the Marketplace

The ACA made critical improvements to private insurance to make comprehensive health coverage more affordable and accessible for millions of women. Women and families who enroll in coverage through the health insurance marketplace, for example, will see the following benefits:

- ▶ **Individuals can no longer be denied coverage because they are sick or have pre-existing conditions.** The ACA has ended outrageous, predatory practices that allowed insurers to refuse to cover women who had breast cancer or cesarean sections, received medical treatment due to domestic violence, or have chronic conditions like high blood pressure or diabetes. Additionally, insurers are now prohibited from imposing lifetime dollar-value caps on coverage and are barred from placing annual dollar-value caps on essential health benefits like maternity care.
- ▶ **Women no longer have to pay more than men for the same insurance policies.** The ACA prohibits marketplace plans – as well any plans sold in the individual or small group markets – from charging women higher premiums simply because of their gender. Furthermore, for the first time in history, gender discrimination is prohibited in many health care programs because the ACA prohibits all health programs and activities receiving federal funds (including tax credits, subsidies and contracts) from discriminating against women and those in other protected classes. For example, any insurance companies receiving federal funds are barred from discriminating against

women when defining and administering their benefit packages.

- ▶ **Health insurance is more affordable.** Lower-income women and families who enroll in plans through the marketplace may be able to access premium tax credits and cost-sharing reductions to help them afford health insurance.
- ▶ **Preventive services are covered with no cost-sharing.** The ACA makes it more affordable for women and families to stay healthy and avoid high health care bills down the road by requiring marketplace health plans to cover a wide array of preventive services – including contraception, mammograms, and cervical cancer screenings – without any cost-sharing (i.e., no deductibles, copays or coinsurance).
- ▶ **Women are guaranteed coverage for maternity care services.** Women purchasing insurance in the marketplace are now guaranteed access to maternity coverage as an essential health benefit. Prior to the ACA, most health plans purchased in the individual market did not cover maternity care.<sup>8</sup> Women with individual plans either had to go without maternity benefits and pay out-of-pocket for their care, or purchase costly maternity coverage “riders.”<sup>9</sup> Maternity care can be very expensive: \$21,001 was the average cost of all payments made for maternity and newborn care in 2010 for women who had commercial insurance.<sup>10</sup>

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## Unfinished Business

Enactment of the ACA has vastly expanded access to health care for millions of women – except with regard to abortion care. While attempts to ban *all* abortion coverage in the health insurance marketplace were defeated, the ACA treats abortion care differently than other health care services.

The law requires health plans operating in the marketplace to establish two separate accounts into which enrollees’ premium payments are deposited: one for abortion coverage and a second for all other health benefits covered by the plan.<sup>11</sup>

Additionally, the ACA allows states to ban abortion coverage from plans sold in their health insurance marketplaces. Unfortunately, 25 states have chosen to do so. Ten of these states have banned abortion coverage from all private insurance plans sold in the state.<sup>12</sup> Taken together, these unjust restrictions render the health insurance choices that are available to women and families inadequate, and cause real harm.

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1 In 2014, Medicaid eligibility expanded to individuals and families with household family income at or below 133% FPL. However, a standard five percent income disregard used when determining eligibility effectively raises the limit to 138 percent of FPL.

2 Values calculated by National Partnership based on data from: U.S. Dept. of Health and Human Services, Centers for Medicare & Medicaid Services. (2015). *2015 Poverty Guidelines*. Retrieved 22 October 2015, from <http://www.medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/downloads/2015-federal-poverty-level-charts.pdf>

3 Families USA. (2015, July). *A 50-State Look at Medicaid Expansion*. Retrieved 12 August 2015, from <http://familiesusa.org/product/50-state-look-medicaid-expansion>

4 Guttmacher Institute. (2015, June). *Medicaid Family Planning Eligibility Expansions*. Retrieved 12 August 2015, from [http://www.guttmacher.org/statecenter/spibs/spib\\_SMFPE.pdf](http://www.guttmacher.org/statecenter/spibs/spib_SMFPE.pdf)

5 Ibid.

6 Families USA. (2012, February). *Medicare's Annual Wellness Visit: What It Means for You*. Retrieved 12 August 2015, from [http://familiesusa.org/sites/default/files/product\\_documents/Consumer-Guide-Medicare-Wellness-Visit.pdf](http://familiesusa.org/sites/default/files/product_documents/Consumer-Guide-Medicare-Wellness-Visit.pdf)

7 The Henry J. Kaiser Family Foundation. (2015, July). *State Demonstration Proposals to Integrate Care and Align Financing and/or Administration for Dual Eligible Beneficiaries*. Retrieved 12 August 2015, from <http://kff.org/medicaid/fact-sheet/state-demonstration-proposals-to-integrate-care-and-align-financing-for-dual-eligible-beneficiaries/>

8 National Women's Law Center. (2009, October). *Still Nowhere to Turn: Insurance Companies Treat Women Like a Pre-Existing Condition*. Retrieved 12 August 2015, from <http://www.nwlc.org/resource/still-nowhere-turn-insurance-companies-treat-women-pre-existing-condition>

9 The Henry J. Kaiser Family Foundation. (2013, August). *Health Reform: Implications for Women's Access to Coverage and Care*. Retrieved 12 August 2015, from <http://www.kff.org/womenshealth/upload/7987.pdf>

10 Truven Health Analytics. (2013, January). *The Cost of Having a Baby in the United States, Table 11*. Retrieved 12 August 2015, from <http://transform.childbirthconnection.org/reports/cost/>

11 Hasstedt, K. (2015, Winter). Abortion Coverage Under the Affordable Care Act: Advancing Transparency, Ensuring Choice and Facilitating Access. *Guttmacher Policy Review*, 18(1). Retrieved 12 August 2015, from <https://www.guttmacher.org/pubs/gpr/18/1/gpr1801415.html>

12 Guttmacher Institute. (2015, July). *Restricting Insurance Coverage of Abortion, State Policies in Brief*. Retrieved 12 August 2015, from [http://www.guttmacher.org/statecenter/spibs/spib\\_RICA.pdf](http://www.guttmacher.org/statecenter/spibs/spib_RICA.pdf)

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