

Why the Affordable Care Act Matters for Women: **Affordability and Choice** in the Insurance Marketplace

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Between 2010 and 2014, the Affordable Care Act (ACA) progressively implements an array of rules and protections to make the private health insurance system – including employer-sponsored plans – better meet the needs of women and families. In particular, the ACA will help rein in premium increases, improve the adequacy of benefit packages, and make coverage more reliable. The law will also ensure women have access to the information necessary to make “apples-to-apples” comparisons of their plan options and understand how their coverage works when enrolled.

More Affordable Premiums

For the past decade, health insurance premiums have been rising rapidly – greatly outpacing increases in workers’ wages.¹ This problem is made even worse for women by gender rating – the common insurer practice of charging women (and businesses that employ women) higher rates simply because of gender.

The ACA establishes critical protections to rein in private health insurance costs and level the playing field for women.

- ▶ The ACA has put in place important protections to keep premiums in check. With these rules, women and families can be confident that their insurance premiums will no longer be inflated to support inefficient administrative practices or excess profits.
 - ▶ The “80:20” or Medical Loss Ratio rules require insurers to spend at least 80 percent of premium dollars on health care services or quality improvements. If they don’t, consumers get money back.
 - ▶ New individual and small group health plans are required to publicly report and justify rate increases. Independent experts will scrutinize any rate increases that are deemed “unreasonable” (e.g., rate increases of 10 percent or more) and states are encouraged to reject excessive rate hikes.

Why the ACA Matters for Women Fact Sheets

- ▶ [Summary of Key Provisions \(pdf\)](#)
- ▶ [Expanding Access to Health Insurance \(pdf\)](#)
- ▶ [Affordability and Choice in the Insurance Marketplace \(pdf\)](#)
- ▶ [Improving Health Care for Older Women \(pdf\)](#)
- ▶ [Improving Health Coverage for Lower-Income Women \(pdf\)](#)
- ▶ [Better Care for Pregnant Women and Mothers \(pdf\)](#)
- ▶ [Expanding Medicaid Family Planning Services \(pdf\)](#)
- ▶ [Preserving Access to Women’s Health Clinics \(pdf\)](#)
- ▶ [Coverage of Women’s Preventive Services, Including Contraception \(pdf\)](#)
- ▶ [Comprehensive Sex Education for Teens \(pdf\)](#)
- ▶ [Restrictions on Abortion Coverage \(pdf\)](#)

Also available at www.nationalpartnership.org/ACA

- ▶ Beginning in 2014, the ACA will prohibit new plans in the individual and small group market from charging women higher premiums based on gender. In addition, these plans will no longer be allowed to charge higher premiums based on enrollees' health status or history.
- ▶ Also in 2014, lower-income women and families without an offer of employer-sponsored insurance will be able to access tax credits to help them afford insurance sold in the individual market.

Better Benefits

Many insurance plans do not provide comprehensive coverage, particularly to women who on the whole tend to rely more heavily on the health care system. Often essential services and treatments used only by women – such as maternity care – are not covered. High cost-sharing and prior authorization requirements further limit women's ability to access needed care and providers. Because women are more likely than men to be in fair or poor health,² they are also at greater risk of being denied coverage for the care they need when insurance policies exclude coverage for pre-existing conditions.

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The ACA takes a number of steps to end these discriminatory practices and ensure private health insurance meets women's health needs.

- ▶ For the first time in history, gender discrimination will be prohibited in all federally funded health care.³ This basic protection means that any insurance companies receiving federal funds (including tax credits, subsidies and contracts) will be prohibited from discriminating against women – including when defining and administering their benefit packages.
- ▶ The ACA makes it easier for women and families to stay healthy and avoid high health care bills down the road by requiring new health plans to cover a wide array of preventive services – including contraception, mammograms, cervical cancer screenings, and prenatal care – without any cost-sharing (e.g. deductibles, copays and co-insurance).
- ▶ The ACA prohibits all new plans from requiring women seeking OB/GYN care to receive pre-authorization or referral, saving them time and money. It also requires qualified private health plans to contract with community providers – such as family planning clinics, sexually transmitted infection (STI) clinics, and community health centers – where many uninsured or underinsured women currently receive quality care.
- ▶ Beginning in 2014, the ACA requires all new individual and small employer health plans to offer a core set of essential health benefits, including maternity care, and the essential health benefit package must take into account the needs of women and children. States are responsible for defining the specific contents of essential health benefit package in early years.
- ▶ Also starting in 2014, new private health plans will no longer be able to exclude particular items or services from coverage on the basis of a pre-existing condition.

- ▶ This protection went into effect for children under the age of 19 in September 2010.

More Reliable Coverage

When a woman purchases a health insurance plan, she expects it will be there for her when she or a family member gets sick or injured. In the past, however, this has often not been the case. Some insurers have retroactively canceled (rescinded) coverage when a participant has incurred high health care costs. Other plans have included low annual and lifetime benefit limits or high cost-sharing requirements that left women and families facing huge medical bills despite having purchased health insurance. And there have been few dependable recourse options when coverage was denied or limited.

The ACA builds in critical protections so women and families can feel confident that their health insurance will be there when they need it most.

- ▶ The ACA protects women and families from significant financial hardship and stress by prohibiting health insurers and plans from rescinding enrollees' coverage when they get sick.
- ▶ As of September 23, 2010, no insurer can impose lifetime dollar-value caps on coverage. In addition, between 2010 and 2014, annual dollar-value caps on coverage are progressively phased out. This means that by 2014, if women have chronic conditions like diabetes or suffer from catastrophic illnesses or injuries, health plans will not be allowed to cut off their coverage simply because of expensive claims accumulated over the course of their lifetimes or plan years.
- ▶ The ACA gives consumers the right to appeal adverse benefit decisions through a standardized internal process and, for the first time, to an outside, independent decision maker, if needed. Regardless of where they live, or what type of insurance they have, women and families will have access to a fair system for recourse if they are denied benefits offered by their health plans.

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Better Information

In millions of American families, women are the primary health care decision makers – responsible for gathering information, comparing plans, and making decisions about which plans are best. Today, this is no easy task. Information is diffuse, jargon-filled, and inconsistent. Simply accessing meaningful information about a single plan is hard enough; being able to make “apples to apples” comparisons of plan options is nearly impossible. Many women and families choose one plan only to find out too late – when they get sick and file claims – what their health plan does and does not cover and what it really costs.

The ACA provides women and families access to standardized, easy-to-understand

information about their health plans when they enroll or are comparing options.

- ▶ Beginning in September 2012, all private health plans will be required to provide a uniform, clear summary of benefits to all enrollees and those shopping for coverage.
 - ▶ This summary will clearly show a health plan's deductible, limits, exclusions on benefits and referral requirements, as well as cost-sharing responsibilities for a variety of common medical events like doctor visits, lab tests, prescription drugs, maternity care and hospitalizations.
 - ▶ The new form will also show examples of how the health plan might cover medical care in different situations such as having a baby and managing diabetes, so women can get a sense of how much insurance protection they and their families might get from different plans.
- ▶ Beginning in 2014, women and families as well as small businesses seeking coverage will have access to exchanges – new one-stop-shops for health insurance. Through exchanges, women and families will be able to find unbiased information about plan choices so they can assess plans based on the things that matter to them – such as premiums and cost-sharing requirements, quality, provider network, and scope of benefits.

¹ Kaiser Family Foundation. (2011, September 27). Average Annual Premiums for Family Health Benefits Top \$15,000 in 2011, Up 9 Percent, Substantially More than the Growth in Worker's Wages, Benchmark Employer Survey Finds. News release, retrieved March 6, 2012 at <http://www.kff.org/insurance/092311nr.cfm>.

² Agency for Healthcare Research and Quality. (2010, December). Health Care for Minority Women: Recent Findings. Program Brief (AHRQ Pub. No. 11-P005). Rockville, MD.

³ Unless otherwise expressly allowed in the health reform law (i.e., abortion restrictions in the law will be allowed to stand).