

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

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The high cost of health care places a particular burden on lower-income women who need health services but often struggle to pay premiums and out-of-pocket costs. The problem has been exacerbated because many insurers charge women higher rates simply because of their gender, thereby putting health coverage out of reach—especially for many lower-income women. The Affordable Care Act (ACA) will dramatically improve access to affordable health care for lower-income women by expanding access to Medicaid, improving the way care is delivered, reining in premium increases, making preventive services more affordable, and making health coverage more reliable.

## Expanding and Improving Medicaid

Medicaid provides essential care over the spectrum of women's lives, from family planning and maternal health services to nursing home care. Yet restrictive state eligibility rules have long kept many women from accessing the benefits of this critical program.

### **In 2014, the ACA will close this gaping hole in the nation's safety net.**

- ▶ In 2014, Medicaid eligibility will be expanded to individuals and families with household family incomes up to 133 percent<sup>1</sup> of the Federal Poverty Level (FPL).
  - ▶ Given current poverty level guidelines, that means a childless woman earning up to \$14,856 annually would qualify for Medicaid, as would a family of four with income of \$30,657 per year.
  - ▶ With this change, ten million more women will qualify for Medicaid's comprehensive health coverage with strong out-of-pocket cost (cost-sharing) protections.<sup>2</sup>
- ▶ States have the option to establish federally-financed Basic Health Plans to extend "Medicaid look-alike" coverage – comprehensive, affordable insurance plans with

### 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](http://www.nationalpartnership.org/ACA)

limited cost-sharing – to individuals and families earning up to 200 percent of FPL (currently \$22,340 for an individual and \$46,100 for a family of four).

- ▶ The ACA improves the way health services are delivered by giving states the option to provide care to Medicaid beneficiaries with chronic conditions through a “health home” where a team of health professionals work together to provide coordinated, comprehensive, “whole person” care.
- ▶ For women of reproductive age the news is even better – the law allows states to expand access to family planning services for lower-income women. States now have the option to provide family planning services under Medicaid using the same eligibility they use for pregnant women – typically 200 percent of the poverty level. And they no longer have to go through a cumbersome federal waiver process or reapply after initial approval.

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**Today, a woman could be penniless and not qualify for Medicaid.**

**In 2014, the ACA will close this hole in the nation’s safety net – expanding eligibility to individuals and families with incomes up to 133 percent of poverty.**

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## New Protections for Lower-Income Women on Medicare

**Before the ACA, there were notable gaps in traditional Medicare coverage.** Annual wellness visits were not covered, and some preventive benefits such as mammograms, clinical breast exams, bone density tests, and visits for Pap tests and pelvic exams required 20 percent coinsurance – sometimes a financial barrier for lower-income women on Medicare.

**The ACA expands access to important preventive services.**

- ▶ Beginning in 2011, Medicare beneficiaries became eligible for an annual wellness check-up without any co-pays. This includes time for health care providers to conduct a comprehensive health risk assessment and create a personalized prevention plan.

## Better Care for Dually Eligible Beneficiaries

Women eligible for both Medicare and Medicaid (known as “dual eligibles”) are some of the most vulnerable, high need, high cost beneficiaries – and the lack of coordination between Medicare and Medicaid further complicates their care.

- ▶ The ACA establishes a demonstration project that will test programs that fully integrate care for dual eligibles. States can now apply for funds to support the design of innovative service delivery and payment models for dual eligibles.
- ▶ The ACA also establishes 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.

# New Protections and Benefits in the Private Insurance Market

**Women not eligible for Medicaid buy their health insurance on the private market. The ACA includes critical improvements to the private insurance market that will make health insurance more affordable and accessible for them – and for millions of other women.**

- ▶ 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 when women have chronic conditions like diabetes or suffer from catastrophic illnesses or injuries, health plans cannot cut off their coverage simply because of expensive claims accumulated over the course of their lifetimes or plan years.
- ▶ Beginning in 2014, the ACA will prohibit new plans in the individual and small group markets from charging women higher premiums based on gender. These plans also will no longer be able to charge higher premiums based on enrollees' health status or history.
- ▶ Also in 2014, lower-income women and families without offers of employer-sponsored insurance will be able to access tax credits to help them afford insurance sold in the individual market.
- ▶ The ACA makes it more affordable 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).
- ▶ Starting in 2014, women purchasing insurance in the individual market will be guaranteed access to maternity coverage. Currently, these women often have to go without maternity benefits (and face average expenses of \$10,652 for maternity care,<sup>3</sup> which includes nine months of prenatal care and three months of postpartum care for a delivery without complications) or purchase costly maternity coverage “riders” (often with long wait periods before the rider kicks in)<sup>4</sup> because most plans in the individual market do not cover maternity care.<sup>5</sup>

## Unfinished Business

**Abortion Coverage in the Health Care Exchange:** Enactment of health care reform vastly expanded access to health care for millions of women – except with regard to abortion care. Although attempts to ban all abortion coverage in the state health insurance exchanges were defeated, unfortunately abortion is the one type of health care treated differently in the ACA.

For more than 30 years, women enrolled in Medicaid have had their abortion coverage restricted. The ACA extended these restrictions to women getting premium assistance credits to pay for health insurance through the exchanges. The law requires health plans

operating in the exchanges that offer abortion coverage to collect separate payments – one for abortion care and another for all other health care. Abortion coverage remains available in the private market, subject to state restrictions. However, the new, unjust segregation requirements infringe on the private health insurance choices of women and families using the exchanges and threaten future availability of private insurance plans that meet women’s needs. The National Partnership is advocating that this restriction be implemented in the least burdensome manner possible and to ultimately ensure that all women have access to abortion coverage.

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<sup>1</sup>In 2014, Medicaid eligibility will be expanded to individuals and families with household family income at or below 133% FPL. However, a standard 5% income disregard used when determining eligibility effectively raises the limit to 138% of FPL.

<sup>2</sup> Kaiser Family Foundation. (2012, January). Medicaid’s Role for Women Across the Lifespan: Current Issues and the Impact of the Affordable Care Act. Retrieved March 7, 2012 from <http://www.kff.org/womenshealth/upload/7213-03.pdf>

<sup>3</sup> Thomson Reuters. (2008, October 29). Summary of: The Cost of Prematurity and Complicated Deliveries to U.S. Employers. Report prepared for March of Dimes. Retrieved March 15, 2011 from [http://www.marchofdimes.com/peristats/pdfdocs/cts/ThomsonAnalysis2008\\_SummaryDocument\\_final121208.pdf](http://www.marchofdimes.com/peristats/pdfdocs/cts/ThomsonAnalysis2008_SummaryDocument_final121208.pdf)

<sup>4</sup> Kaiser Family Foundation. (2010, December). Focus on Health Reform: Impact of Health Reform on Women’s Access to Coverage and Care, 6. Retrieved on March 15, 2011, from <http://www.kff.org/womenshealth/upload/7987.pdf>.

<sup>5</sup> Courtot, B. & Kaye, J. (2009, October). Still Nowhere to Turn: Insurance Companies Treat Women Like a Pre-Existing Condition. National Women’s Law Center Publication. Retrieved on January 14, 2011, from <http://www.nwlc.org/resource/still-nowhere-turn-insurance-companies-treat-women-pre-existing-condition>

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