

FACT SHEET

H.R. 7: A Dangerous and Misleading Bill that Threatens Women's Health

January 2014

H.R. 7 is a dangerous and misleading bill that has one goal – eliminating abortion coverage in all of the insurance markets. If H.R. 7 were to become law, all women could either lose insurance coverage that includes abortion or be stigmatized while seeking such comprehensive insurance.

H.R. 7 Could Lead to the Elimination of Abortion Coverage in the Private Health Insurance Market

Experts have stated that legislation like H.R. 7 could result in the entire private insurance market dropping abortion coverage, thereby making such coverage unavailable to anyone.¹ H.R. 7's abortion coverage bans incentivize insurers to drop abortion coverage from their Marketplace health insurance plans. This elimination of coverage in the Marketplace will have a "ripple" effect on the entire health insurance market. As the Marketplaces grow, they are expected to become the industry standard, such that private insurers will offer the same package of benefits inside and outside of the Marketplaces. Accordingly, the entire insurance market will go from one where – absent political interference – abortion coverage is the industry standard to one where such coverage is eliminated.

H.R. 7 Twists the Tax Code to Force Individuals and Small Businesses to Drop Comprehensive Health Insurance or Pay Higher Taxes

H.R. 7 would deny women Premium Tax Credits merely for choosing comprehensive health insurance that includes abortion coverage. Such a provision particularly affects low and moderate income women as the tax credits are intended to help such women purchase health insurance in the Marketplaces. In addition, H.R. 7 would deny small businesses the Small Business Tax Credit for providing employees health insurance that includes abortion coverage. Together, these two provisions create perverse incentives for insurers to exclude abortion coverage in order to accept customers who receive the tax credits.² It also pushes individuals and small businesses to switch to plans that do not cover abortion.

H.R. 7 Would Ban Abortion Coverage in All Multi-State Health Insurance Plans

Currently, the law requires that at least one multi-state health insurance plan in a Marketplace must not provide abortion coverage (except for narrow exceptions). Otherwise, the multi-state health insurance plans are allowed to decide whether to include abortion coverage; for the plans that do provide the coverage, they must follow the accounting restrictions in the Affordable Care Act. H.R. 7 would drastically alter this system by banning all multi-state plans from covering abortion – thereby denying women the ability to decide for themselves whether to purchase a plan that includes such coverage.

H.R. 7 Could Force Rape Victims to Prove Rape to IRS Agents

H.R. 7 provides an exception to the restrictions in cases of rape. This exception allows women who were raped to include the costs of the abortion if they claim the deduction for high medical expenses, or to pay for the abortion with funds from a tax-preferred account. In practice, for this exception to be enforced, a woman could be audited and have to demonstrate to the IRS that she was raped and had an abortion. During a hearing on this legislation in the 112th Congress, the Joint Committee on Taxation testified that the burden of proof would be on the taxpayer.⁵

H.R. 7 Punishes Some Women Who Face Serious Health Consequences

H.R. 7 would endanger women's health by eliminating coverage of abortion even in circumstances where a woman needs an abortion to prevent severe, permanent damage to her health. Eliminating insurance coverage for these often expensive procedures makes a difficult situation even worse. Families without coverage for abortion could be pushed into bankruptcy if they try to pay for the procedure out of pocket.

H.R. 7 Includes Inaccurate and Misleading Provisions Designed to Discourage Plans from Covering Abortion and to Deceive Women

The new "disclosure" provisions are meant to discourage insurance plans from covering abortion and misleading women about the cost of purchasing plans that do cover abortion. Women should have complete and accurate information about their health insurance coverage; however, H.R. 7 does the opposite. Specifically, the bill would require plans to disclose incorrectly that there is an "abortion surcharge" for plans that cover abortion. Such a disclosure is false because there is no "abortion surcharge;" instead, the ACA requires a portion of the person's insurance premium be held in a separate account. This is an accounting requirement, not an additional charge. In addition, the ACA already requires disclosure of abortion coverage. Thus, H.R. 7's additional "disclosure" and "prominent display" requirements would not result in women learning more about their plans. Instead, it would discourage plans from providing the coverage and stigmatize the women who purchase such plans.

H.R. 7 Would Make Permanent Dangerous Restrictions on Abortion Coverage

Currently, federal restrictions on abortion coverage require renewal every year as they are imposed through the appropriations process. H.R. 7 makes these restrictions permanent law. Thus, women covered under Medicaid, women serving in the U.S. military, federal employees, residents of the District of Columbia, women in federal prisons, and women covered by the Indian Health Service would permanently be denied health insurance that includes abortion coverage except for very narrow circumstances. These harmful restrictions endanger women's health and place particular burdens on low-income women.

H.R. 7 Denies the District of Columbia from Using Local Funds to Pay for Abortions

H.R. 7 permanently prohibits the District of Columbia from using locally raised funds to offer abortion care for women who otherwise could not afford it. If H.R. 7 were to become law, anti-choice members of Congress would strip the District of Columbia of the power that all 50 states currently have: the power to make decisions about how to spend locally-raised revenue.

1 See No Taxpayer Funding for Abortion Act: Hearing Before the Subcomm. on the Constitution of the H. Comm. on the Judiciary, 112th Cong. (2011) (testimony of Sara Rosenbaum, Chair, Dept. of Health Pol'y, George Washington Univ. Sch. Pub. Health and Health Servs.).

2 See No Taxpayer Funding for Abortion Act: Hearing Before the Subcomm. on the Constitution of the H. Comm. on the Judiciary, 112th Cong. (2011) (testimony of Sara Rosenbaum, Chair, Dept. of Health Pol'y, George Washington Univ. Sch. Pub. Health and Health Servs.).