

## FACT SHEET

# The Ryan Budget's Catastrophic Health Cuts and their Impact on Women

April 2014

*Representative Paul Ryan's (R-WI) proposed budget for fiscal year 2015 includes devastating cuts to the health care programs women and families rely on. Ryan would repeal the Affordable Care Act, make drastic cuts to Medicaid, and convert Medicare into a limited premium subsidy. These changes would leave millions of women and their families without the financial security of high-quality health insurance, unable to access the health care services they need, and facing dramatic increases in their healthcare costs.*

## The Affordable Care Act

Millions of women have already enrolled in new, comprehensive, affordable health insurance, but Ryan's budget proposal would put an abrupt end to these new coverage options. Under this proposal, women would lose protections from discriminatory health insurance practices, lose access to affordable, high quality health coverage, and lose coverage for many of the health services they need. By repealing the Affordable Care Act (ACA), this budget proposal would take a major step backwards for women's health and force millions of Americans to lose their current health coverage.

## The Ryan Budget Proposal

- Paul Ryan's "Path to Prosperity" would repeal the Affordable Care Act, the landmark health care law that has already extended coverage to millions of Americans.

### Impact on Women

If adopted, this budget proposal would:

*Cause millions of women to lose coverage*

Repealing the ACA would cause millions of women to lose affordable health coverage through Medicaid and private plans offered through Health Insurance Marketplaces. By repealing the entire law, Ryan would also allow insurance companies to once again deny women insurance coverage because of "pre-existing conditions" including a history of domestic violence, breast and cervical cancer, and C-sections.

*Allow insurance companies to discriminate against women*

Ryan would allow insurance companies to return to charging women higher health insurance premiums than men, a practice known as gender rating. His budget proposal would also allow insurance companies to return to selling inadequate coverage that fails to meet women's health care needs, such as policies that lack maternity coverage. Previously, 92 percent of the best-selling plans on the individual market practiced gender rating and only 12 percent covered maternity care.<sup>1</sup>

*Increase the costs of important services*

Repealing the ACA would increase out-of-pocket costs for preventive services women need such as mammograms, pap smears, colonoscopies, and contraception. It would also increase Medicare enrollees' spending on prescription drugs.

*Let insurance companies continue egregious practices*

By proposing to repeal the ACA, Ryan would allow insurance companies to drop enrollees or refuse to renew their health insurance policies when they get sick. He would also allow insurers to return to their practice of capping how much care they will cover annually and over a lifetime.

## Medicaid

Ryan's budget plan would make drastic changes to Medicaid, the joint federal-state program that provides health coverage for low-income people and plays a critical role in providing health coverage for women of all ages and needs. Traditionally, women make up nearly 70 percent of adults on Medicaid, and millions more have gained coverage since the ACA took full effect in January 2014.<sup>2</sup> Ryan's proposed Medicaid cuts would devastate this vital health care safety-net for our most vulnerable women and families and millions of women currently insured through Medicaid would lose coverage.

### **The Ryan Budget Proposal**

- Cuts Federal support for Medicaid by \$732 billion.
- Converts Medicaid to a block grant structure that would limit funding to the states without regard to enrollment trends, health care costs or other factors, thus forcing states to shift costs to enrollees, reduce covered services, cut payments to doctors, hospitals and other providers, and/or cut people from the program.
- Eliminates federal funding that allows states to expand coverage to more working families and low income individuals.

### **Impact on Women**

If adopted, Ryan's budget proposal would:

*Put families at risk for losing coverage*

Two-thirds of nonelderly women enrolled in Medicaid are mothers.<sup>3</sup> Steep program cuts would threaten these women's access to affordable coverage, putting families' health and economic well-being at risk.

*Prevent low-income women from receiving the services they need*

Medicaid covers services critical to women's health—including family planning services, comprehensive maternity care, treatment for chronic conditions, and long-term care services and supports. Program cuts on the magnitude proposed by Rep. Ryan could gut this coverage. Ryan's proposed cuts in federal Medicaid spending could also force states to stop offering lifesaving treatment to low income women with breast and cervical cancer. In 2008, 44,000 women were enrolled in breast and cervical cancer treatment programs throughout the country.<sup>4</sup>

*Put coverage for the most vulnerable women at risk*

Ryan's cuts to Medicaid could jeopardize the 4.5 million older, low-income women with Medicare cover-

age who rely on Medicaid to cover their long term care services and Medicare cost sharing.<sup>5</sup> Additionally, half of all women with disabilities rely on Medicaid.<sup>6</sup> Slashing federal program funding could make it more difficult for them to receive the rehabilitation, transportation, and therapeutic services they need.

#### *Put states at greater financial risk*

Block granting Medicaid means that states won't be able to rely on the federal government to help them shoulder the additional costs of providing coverage when health care costs rise, population demographics change or eligibility grows during an economic downturn. Under a block grant, the federal government establishes a hard limit on the funding it sends to each state, regardless of economic circumstances. States must then manage within this limit, contribute more of their own funds towards the program, or choose to cut program eligibility, reduce benefits, or reduce provider payments. These tough choices would almost certainly have a disproportionate impact on women who make up a majority of Medicaid recipients.

#### *Roll back coverage for women currently insured by Medicaid*

The Ryan budget would cause millions of women newly insured by Medicaid to lose coverage. States would no longer have access to the federal money that has been set aside to expand coverage through Medicaid, and women who are newly insured would lose access to preventive care and critical health care services.

## Medicare

Ryan proposes drastic structural changes to the Medicare program that could be especially harmful for older women. Women constitute more than half of the individuals with Medicare coverage. Because women, on average, are poorer, live longer and have more health care needs than men, Medicare plays a greater role for them in preventing illness and destitution. Any changes to the Medicare program that would increase enrollees' costs or reduce services would be especially harmful to women.

### **The Ryan Budget Proposal**

- Replaces Medicare's guaranteed benefit package with a limited subsidy to purchase private coverage.
- Increases Medicare enrollees' personal spending on prescription drugs.

### **Impact on Women**

If adopted, the Ryan plan would:

#### *Turn Medicare over to private insurers and increase costs for beneficiaries*

Ryan's plan would replace Medicare's guaranteed benefit package with a plan that would require individuals to purchase their own coverage (either private coverage or traditional Medicare) using a limited premium support subsidy. It is likely that healthier beneficiaries would gravitate towards private plans, leaving the sickest and lowest-income beneficiaries on traditional Medicare. This could cause costs to skyrocket, leading to higher premiums that the already-inadequate vouchers would not be able to cover.

#### *Threaten older women's economic well-being*

The inadequate premium support subsidies included in Ryan's proposal would lead to Medicare beneficiaries paying more out-of-pocket for their health coverage, which is especially harmful for women, who comprise 55 percent of Medicare beneficiaries and are more likely to be low-income than their male counterparts.<sup>7</sup> In 2010, 44 percent of female Medicare beneficiaries were living in or near poverty compared

to 34 percent of men.<sup>8</sup> Women on Medicare have annual incomes nearly \$10,000 lower than their male counterparts and already have higher out-of-pocket costs and pay a higher percentage of their income on health care costs than men.<sup>9</sup>

*Increase prescription drug costs for many seniors*

Ryan does away with the important provision of the Affordable Care Act that ends the “donut hole” for people with Medicare coverage. The “donut hole” is a coverage gap in the Medicare prescription drug program that causes millions of beneficiaries to pay out-of-pocket for prescription drugs. The Affordable Care Act does away with this coverage gap over the next several years and, in the meantime, gives seniors discounts and rebate checks to help them with the cost of their prescriptions. This is especially important for older women who already have higher health care costs than men. Ryan would end these discounts and rebates, leaving seniors and people with disabilities to struggle with paying for their prescriptions when they hit the donut hole.

- 1 Danielle Garrett, The National Women’s Law Center, “Turning to Fairness: Insurance Discrimination Against Women Today and the Affordable Care Act,” (March 2012), available at: <http://www.nwlc.org/resource/report-turning-fairness-insurance-discrimination-against-women-today-and-affordable-care-ac>
- 2 The National Women’s Law Center, “What the Medicaid Eligibility Expansion Means for Women,” (November 2012, available at: [http://www.nwlc.org/sites/default/files/pdfs/what\\_the\\_medicaid\\_eligible\\_expansion\\_means\\_for\\_women\\_1-16-13.pdf](http://www.nwlc.org/sites/default/files/pdfs/what_the_medicaid_eligible_expansion_means_for_women_1-16-13.pdf)
- 3 Alina Salganicoff et al., Kaiser Family Foundation, Women and Health Care: A National Profile (July 2005), <http://www.kff.org/womenshealth/upload/Women-and-Health-Care-A-National-Profile-Key-Findings-from-the-Kaiser-Women-s-Health-Survey.pdf>.
- 4 National Women’s Law Center calculations based on data from The Medicaid Statistical Information System (MSIS) State Summary Datamart (2008), <http://msis.cms.hhs.gov>
- 5 National Women’s Law Center calculations based on data from The Medicaid Statistical Information System (MSIS) State Summary Datamart (2009), <http://msis.cms.hhs.gov/>
- 6 National Women’s Law Center calculations based on data from The Medicaid Statistical Information System (MSIS) State Summary Datamart (2009), <http://msis.cms.hhs.gov/>
- 7 The National Women’s Law Center, “The Importance of Medicare for Women,” (August 2012), available at: <http://www.nwlc.org/resource/importance-medicare-women>
- 8 *ibid*
- 9 *ibid*