

FACT SHEET

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

March 2013

Representative Paul Ryan's (R-WI) proposed budget for fiscal year 2014 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 voucher program. 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

Nearly 30 million uninsured Americans, including nearly 15 million women, are on the brink of accessing high-quality, 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 more affordable, higher-quality health coverage, and lose coverage for many of the health services they need. By repealing the Affordable Care Act, this budget proposal would take a major step backwards for women's health and leave millions of Americans uninsured.

The Ryan Budget Proposal

- Paul Ryan's "Path to Prosperity" proposes repealing the Affordable Care Act, the landmark health care law that will extend affordable health insurance to millions of Americans in January, 2014.

Impact on Women

If adopted, this budget proposal would:

Leave millions of women uninsured

Repealing the ACA would prevent up to 15 million women from gaining access to affordable health coverage through Medicaid and private plans offered through health insurance exchanges. A repeal of the entire law would also allow insurance companies to continue denying 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 continue discriminating against women

Ryan would allow insurance companies to continue charging women higher health insurance premiums than men, a practice known as gender rating. It would also allow insurance companies to continue

selling inadequate coverage that fails to meet women's health care needs, such as policies that lack maternity care. Currently, 92 percent of plans on the individual market practice gender rating and only 12 percent cover maternity care.¹

Increase the costs of important services

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

Let insurance companies continue egregious practices

By proposing to repeal the ACA, Rep. 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 place caps on how much care they will cover annually and over a lifetime.

Medicaid

Ryan's budget plan makes 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. Currently, women make up nearly 70 percent of adults on Medicaid, while up to 7 million currently uninsured women could gain coverage through Medicaid starting in 2014.² Ryan's proposed Medicaid cuts would devastate this vital health care safety-net for our most vulnerable women and families and prevent millions of currently uninsured individuals from gaining coverage in the future.

The Ryan Budget Proposal

- Cut Federal support for Medicaid by \$756 billion
- Convert 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.
- Eliminate new federal funding that will allow 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.³ 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. Pro-

gram 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.⁴

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 coverage who rely on Medicaid to cover their long term care services and Medicare cost sharing.⁵ Additionally, half of all women with disabilities rely on Medicaid.⁶ 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 will almost certainly have a disproportionate impact on women who make up a majority of Medicaid recipients.

Prevent uninsured women from gaining access to Medicaid

The Ryan budget will prevent up to 7 million currently uninsured low-income women from becoming newly eligible for Medicaid coverage⁷ – and thus prevent them from accessing the preventive care and critical health services they need. States would no longer have access to the federal money that has been set aside to expand coverage through Medicaid.

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

- Replaces Medicare's guaranteed benefit package with a premium support voucher – a limited amount of money enrollees can use to shop for insurance
- Turns Medicare over to private insurers
- Adopts a stringent per capita cost cap of GDP growth plus 0.5 percent, limiting the growth of the premium support vouchers to levels well below the growth of health care costs, which will force Medicare beneficiaries to pay more out-of-pocket for adequate 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 premium support voucher. It is likely that healthier beneficiaries would gravitate towards private plans, leaving the sickest and lowest-income beneficiaries on traditional Medicare. This would cause costs could skyrocket, leading to higher premiums that the already inadequate vouchers will not be able to cover.

Threaten older women's economic well-being

The inadequate premium support vouchers included in Ryan's proposal will 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.⁸ In 2010, 44 percent of female Medicare beneficiaries were living in or near poverty compared to 34 percent of men.⁹ 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.¹⁰

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-act>
- 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
- 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 Genevieve M. Kenney et. al., The Urban Institute, "Opting in to the Medicaid Expansion under the ACA: Who Are the Uninsured Adults Who Could Gain Health Insurance Coverage," (August 2012), *available at:* <http://www.urban.org/UploadedPDF/412630-opting-in-medicaid.pdf>
- 8 The National Women's Law Center, "The Importance of Medicare for Women," (August 2012), *available at:* <http://www.nwlc.org/resource/importance-medicare-women>
- 9 *ibid*
- 10 *ibid*