



REPRODUCTIVE RIGHTS & HEALTH

THE AFFORDABLE CARE ACT REPEAL BILL WOULD PUT AFFORDABLE HEALTH COVERAGE OUT OF REACH FOR MANY WOMEN

The American Health Care Act, the budget reconciliation proposal to repeal the Affordable Care Act (ACA), restructures the health care system in favor of wealthier individuals and companies. At the same time, it takes away critical financial assistance that has helped individuals afford health insurance and health care, and it imposes financial penalties on those least able to afford it. These changes come at the expense of women, who will lose access to health care and health insurance, jeopardizing their health and economic security.

THE ACA REPEAL BILL TAKES AWAY THE FEDERAL FINANCIAL ASSISTANCE THAT HELPS LOW AND MODERATE INCOME WOMEN AFFORD HEALTH INSURANCE AND HEALTH CARE

The ACA Repeal Bill Makes Harmful Changes to Tax Credits and Eliminates Cost-Sharing Subsidies

The Affordable Care Act currently provides premium tax credits, adjusted for income and geographic variations in insurance costs, to help low- and moderate-income women and families purchase health insurance. As of 2014, over 9 million women, who would otherwise have gone without affordable health insurance, were eligible to benefit from the tax credits, including a disproportionate number of women of color.¹ Additional “cost-sharing reductions” are also available under the Affordable Care Act to low- and moderate-income families. These payments effectively buy-down the enrollees’ cost-sharing obligations.

The ACA Repeal Bill would restructure this system to the detriment of the individuals who need financial assistance the most. The Repeal Bill replaces the ACA’s premium tax credits, which adjusted for income and geographic health care costs, with premium tax credits that are instead adjusted by the age of the consumer. As a result, the Repeal Bill’s tax credits could fall far short of actual premium costs because they do not account for geographic variations in premium costs or for increases if premium costs are higher than projected inflation. According to the nonpartisan Congressional Budget Office (CBO), “[f]or many lower-income people, the new tax credits under the legislation would tend to be smaller than the premium tax credits under the current law...Conversely, the tax credits under the legislation would tend to be larger than current-law premium tax credits for many people with higher income.”²

The Repeal Bill would also repeal the ACA’s cost-sharing subsidies in 2020, “significantly increasing out-of-pocket costs” for those low- and moderate-income families that would lose that financial assistance.³ In other words, low-income people would receive less financial assistance in the form of tax credits to purchase health insurance in the first place and would also be faced with increased costs for the medical care they receive.

The ACA Repeal Bill’s Changes to Financial Assistance Will Result in Women – Especially Women of Color – Losing Health Insurance and Health Care

Changing the tax credits and eliminating the cost-sharing subsidies would result in low- and moderate-income women losing their ability to afford health insurance and health care.

The main reason individuals cited for being uninsured before the ACA was because they could not afford insurance, with low-income women severely impacted by insurance costs.⁴ This lack of affordability is worsened by the reality that women are more likely to live in poverty, earn less than men, and are more likely to work in low-wage jobs with less ability to absorb extra costs.⁵ And women of color are particularly at



risk, since people of color are far more likely to live in poverty or near-poverty than whites.⁶ Before the ACA, women of color were particularly likely to be uninsured.⁷ The federal financial assistance the ACA currently provides is key to their ability to afford health insurance.

The restructuring of the tax credits will also harm the ability of women in high cost states to afford health insurance. That is because the Repeal Bill, which does not account for geographic cost variations, would not go far enough to make insurance affordable for women in high cost states like Alaska.⁸ The Repeal Bill's tax credits also will be less useful to older women needing to buy insurance – who live longer than men, have more health care needs,⁹ and have lower incomes – because it allows insurers to charge older individuals up to five times more for health insurance than younger individuals, yet only doubles tax credit amounts for older individuals.

In addition to losing access to health insurance, women will lose access to health care. Historically, women have been substantially more likely than men to forgo health care because of cost.¹⁰ While cost of medical care hit women hard, it struck women of color hardest. In the years before the Affordable Care Act, women of color were more likely to go without health care because of cost at higher rates than men or white women,¹¹ leaving them vulnerable to a lifetime of illness.

Without the financial assistance, women who need health insurance will face tough choices: go without health insurance, forego other necessities to pay for it, or strain their families' finances to pay on their own for health care services. By taking away federal financial assistance, the ACA Repeal Bill jeopardizes women's health and economic security.

THE ACA REPEAL BILL WOULD IMPOSE FINANCIAL PENALTIES ON CERTAIN GROUPS OF WOMEN WHO CAN LEAST AFFORD IT

In addition to generally harming the health and economic security of low- and moderate-income women by restructuring the tax credits and eliminating cost-sharing subsidies, the ACA Repeal Bill contains various other provisions that impose financial penalties on certain groups of women who can least afford it.

The ACA Repeal Bill would impose financial penalties on:

- **Married women in unsafe or difficult situations.** The ACA Repeal Bill requires married couples to file joint returns in order to receive the tax credits, ignoring a host of situations—including domestic violence, pending divorce, or when one spouse is incarcerated—in which filing a joint return may not be possible or safe.

- **Women purchasing a comprehensive health plan that covers abortion.** The ACA Repeal Bill denies individuals the bill's already limited tax credits simply for purchasing a health insurance plan that includes coverage of abortion. A woman who cannot afford insurance coverage on her own will be forced to forgo abortion coverage in order to receive the financial help she needs to purchase health insurance.¹²
- **Elderly women.** The ACA Repeal Bill allows plans to charge older individuals up to five times the amount charged to younger individuals for coverage. This disproportionately affects elderly women, who generally live longer than men and are more likely to live in poverty than elderly men.¹³
- **Women who cannot maintain continuous coverage.** The ACA Repeal Bill imposes a financial penalty on individuals who experience lapses in coverage of more than 63 days within the prior year, allowing them to be charged a 30% higher premium each month. There are numerous scenarios under which a woman could lose continuous coverage, like losing a job, going back to school, choosing to pay for groceries one month instead of paying a premium, or an error by the health insurer.
- **Young women.** The ACA Repeal Bill's continuous coverage penalty would disproportionately affect young adults. They move at twice the national rate and change jobs more than their older counterparts, which can lead to coverage lapses. They also have lower savings and wealth accumulation, which means that the financial penalties will hit them particularly hard.

INSTEAD OF HELPING THOSE WHO NEED IT, THE ACA REPEAL BILL FINANCES TAX CUTS FOR THE VERY WEALTHY, INSURERS, AND DRUG COMPANIES

At the same time that it removes financial assistance from those who need it most and imposes financial penalties on those who can least afford it, the ACA Repeal Bill gives tax breaks to wealthy individuals, insurers and drug companies.

The ACA Repeal Bill repeals most of the taxes enacted as part of the Affordable Care Act to help finance the expansion of health care and strengthen Medicare, at a cost of nearly \$600 billion over the next 10 years.¹⁴ The Repeal Bill helps the wealthy and insurance companies because it:

- Gives millionaires average tax cuts of more than \$50,000 each in 2025, due to the repeal of two ACA Medicare taxes that fall only on individuals with incomes above \$200,000 (\$250,000 for married couples), at a cost of about \$275 billion over 10 years.¹⁵ Repeal of just one of those taxes—the additional 0.9 percent surtax on high earners that is dedicated to the Medicare Hospital Trust Fund—would accelerate the date of depletion of the Medicare Hospital Trust Fund by three years, to 2025.¹⁶



- Enables wealthy individuals to shelter more income in Health Savings Accounts (HSAs). This would cost an estimated \$19 billion over 10 years, and benefit only the high-income people who can afford to double their contribution to HSAs and get greater tax advantages from HSAs because of their higher tax rate.¹⁷
- Cuts taxes on insurance companies and highly paid insurance executives at a cost of \$145 billion over 10 years.¹⁸
- Cuts taxes on drug companies, at a cost of \$25 billion over 10 years.¹⁹

The ACA Repeal Bill targets low-income individuals, and restructures the system in favor of wealthier individuals. All of this comes at the expense of women, who will be particularly harmed by the ACA Repeal Bill.

- 1 Brief for National Women's Law Center et al. as Amici Curiae Supporting Respondents at 8, *King v. Burwell*, 576 U.S. ___, 135 S. Ct. 2480 (2015).
- 2 CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE: AMERICAN HEALTH CARE ACT 16 (Mar. 13, 2017), available at <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/americanhealthcareact.pdf>.
- 3 *Id.*
- 4 "In the year before the ACA's exchanges began operating, more than 41 million non-elderly Americans lacked health insurance. The main reason was that they could not afford it. Low-income women were severely impacted; 4 in 10 were uninsured."
- 5 *Id.* at 9.
- 6 *Id.* at 8-9.
- 7 In 2013, the uninsured rate for white women was 13%; for African-American women, 22%; and for Latinas, 36%. *Id.* at 11.
- 8 Jordan Rau, *Health Insurance Prices: Highest in Alaska, Lowest in Sun Belt* (Jan. 15, 2015) available at, <http://www.npr.org/sections/health-shots/2015/01/15/377271063/health-insurance-prices-highest-in-alaska-lowest-in-sun-belt>.
- 9 Deborah MacKenzie, *Women Live Longer Than Men But Suffer More Years of Poor Health*, DAILY NEWS (Mar. 17, 2016), <https://www.newscientist.com/article/2081497-women-live-longer-than-men-but-suffer-more-years-of-poor-health/>.
- 10 In the year before the ACA marketplaces went into operation, because of cost, 22% of women did not fill prescriptions or skipped prescribed doses (compared to 12% of men); 26% of women delayed or went without medical care (compared to 20% of men); and 28% of women had problems paying for medical care (compared to 19% of men). Women were also more likely to forgo essential preventive services because of cost. Brief for National Women's Law Center, *supra* note 1, at 10.
- 11 Because of cost, almost a quarter of women of color (23%) were unable to visit a doctor (compared to 15% of white women). Latinas and Native American women were uniquely impacted, with 27% and 26% respectively not being able to visit a doctor because of cost. *Id.*
- 12 NAT'L WOMEN'S LAW CTR., THE AFFORDABLE CARE ACT REPEAL BILL'S PUNITIVE ABORTION RESTRICTIONS THREATEN WOMEN'S HEALTH AND ECONOMIC SECURITY (Mar. 2017), available at <http://nwlc.org/wp-content/uploads/2017/03/Abortion-and-Repeal-FS-1.pdf>.
- 13 "Life expectancy for women in the US is 81, five years more than for men." Deborah MacKenzie, *supra* note 2.
- 14 Chye-Ching Huang, *House Republicans' ACA Repeal Plan Would Mean Big Tax Cuts for Wealthy, Insurers, Drug Companies* (Mar. 8, 2017) available at, <http://www.cbpp.org/sites/default/files/atoms/files/3-8-17tax.pdf>.
- 15 *Id.*
- 16 *Id.* at 5.
- 17 *Id.* at 4.
- 18 *Id.*
- 19 *Id.*

