



## Impact of the “American Health Care Act” on Access to Affordable Contraceptives

**Changes in Medicaid Expansion Could Impact Women’s Access to Insurance:** The bill allows states that expanded Medicaid under the Affordable Care Act (ACA) to continue to cover those individuals, but with less federal funding. States may choose to drop coverage for these beneficiaries as federal funding is reduced.

**Shifting Medicaid Costs to States Could Cut Benefits and Impact Provider Participation:** The bill would transform Medicaid from an entitlement program to a per-capita-cap program. States would receive capped funding for five enrollment groups (elderly, blind and disabled, children, expansion adults, and other adults) based on the number of beneficiaries and the 2016 level of medical expenditures. The caps would rise annually based on the medical care component of the Consumer Price Index (M-CPI), but Medicaid costs per beneficiary are expected to rise by about 0.2 percentage points faster than M-CPI.

Additionally, states would be responsible for 100 percent of any costs in excess of the per capita cap, whether due to unanticipated demographic changes or health care cost growth due to a new drug or an epidemic for example. States that exceed their per capita allotment would be penalized by reduced federal payments in the following year. Because most states must have balanced budgets, requiring states to pay a greater portion of Medicaid could result in cuts to benefits impacting women’s health or to provider reimbursement impacting women’s access to providers in the future.

The 90% federal match for family planning and the breast and cervical cancer services option are unchanged.

**Replacing Advanced Premium Assistance with Tax Credits Limits Women’s Ability to Buy Insurance:** The bill replaces ACA’s income based premium assistance with monthly flat tax credits adjusted by age<sup>1</sup>. Families can claim credits for the five oldest members, up to \$14,000 per year. Given the current prices for plans in the individual and small group markets, women will likely not be able to purchase comprehensive coverage for their families.

**Individual Mandate:** The bill eliminates the tax penalties on individuals who do not have minimum essential coverage. However, for individuals seeking health insurance who have not maintained continuous coverage, the bill creates a late enrollment penalty of an additional 30% on top of the premium. This could cause healthy individuals to avoid enrolling in health insurance. This would disrupt the individual and small group health insurance market and cause premiums to increase to levels some women could not afford, even with tax credits.

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<sup>1</sup> \$2,000 per individual up to age 29; \$2,500 per individual age 30-39; \$3,000 per individual age 40-49; \$3,500 per individual age 50-59; \$4,000 per individual age 60 and older.

**Repeals Essential Health Benefits for Medicaid Expansion beneficiaries:** The bill repeals requirements that benefit package provided to Medicaid expansion beneficiaries be equivalent to the essential health benefits offered in individual and small group health insurance plans. Essential health benefits include: maternity care and mental health care for example. Women in the Medicaid expansion group could see significant changes to their benefits.

**One Year Freeze on funding for Planned Parenthood:** The bill prohibits Planned Parenthood affiliates, subsidiaries, successors and clinics from receiving Medicaid, CHIP, Maternal and Child Health Services Block grant and Social Services block grant funds. However, the bill provides the \$422 million in savings for fiscal year 2017 to health centers. This is intended to increase the health center capacity to provide care to women having access issues. Note: The freeze is one year because defunding Planned Parenthood costs billions of dollars after one year for the additional costs of births in the Medicaid program.

**Restrictions on Abortion:** The bill would redefine a qualified health plan in the individual and small group health insurance markets to exclude any plan that covers abortion services, beyond those for saving the life of the woman or in cases of rape or incest (Hyde amendment), effective in 2018. The bill would prohibit the federal premium tax credits created by this bill from being applied to plans that cover abortion services, beyond Hyde limitations. The bill would disqualify small employers from receiving tax credits if their plans include abortion coverage beyond Hyde limitations, effective in 2018. However, the bill does not prevent an insurer from offering an individual from buying separate policies to cover abortion as long as no federal tax credits are applied.

#### **What has not changed; yet**

This bill will be considered under reconciliation and can only include provisions that impact the federal budget. Therefore, many provisions of the ACA were not addressed in this bill. For instance the bill does not change or repeal the:

- ACA's essential health benefit requirement for commercial individual and small group health insurance policies, including the requirement to cover maternity care as an essential health benefit;
- Preventive benefits that include comprehensive contraceptive benefits in commercial plans. Medicaid is not required to provide preventive benefits under ACA, but states are rewarded with 1% FMAP increase if they provide the coverage;
- Prohibition on gender rating, the practice of charging men and women different rates for identical health services;
- Prohibition on pre-existing conditions exclusions, including for pregnancy, prior C-section, and history of domestic violence; or
- Funding for Title X grantees or sexually transmitted disease prevention grantees as they are appropriated annually and outside the scope of this bill.