



# ASPE

## RESEARCH BRIEF

---

### THE AFFORDABLE CARE ACT AND WOMEN

By:

Alison Cuellar, Adelle Simmons, and Kenneth Finegold, ASPE

The Affordable Care Act includes several provisions that are expected to significantly improve women's health.<sup>1</sup> The Affordable Care Act improves coverage for important preventive services and maternity care, promotes higher quality care for older women, and bans health insurers from requiring women to pay more for the same insurance coverage as men. Over 1 million young adult women have already gained health insurance coverage because of the Affordable Care Act and an estimated 13 million more uninsured women will gain coverage by 2016.

#### **Maternity Coverage:**

Starting in 2014, 8.7 million more women who currently buy coverage in the individual market will gain maternity coverage, as part of the Affordable Care Act's requirement for plans to cover essential health benefits.<sup>2</sup> Currently, 62 percent of individual market enrollees do not have maternity coverage.

#### **Preventive Health Services:**

The Affordable Care Act helps to make prevention affordable by requiring most private health insurance plans to cover recommended prevention and wellness benefits without cost-sharing.<sup>3</sup> Insurers must now cover mammograms, screenings for cervical cancer, prenatal care, flu and pneumonia shots, and regular well-baby and well-child visits with no cost-sharing. An estimated 20.4 million women are currently receiving expanded preventive services without cost-sharing because of the Affordable Care Act.<sup>4</sup> Starting in August 2012, additional recommended preventive services including well-woman visits, screening for gestational diabetes, domestic violence screening, breastfeeding supplies, and contraceptive services will be covered by health

---

<sup>1</sup> Patient Protection and Affordable Care Act (Public Law 111-148) and Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

<sup>2</sup> "Essential Health Benefits: Individual Market Coverage." Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, December 16, 2011 accessed at URL: <http://aspe.hhs.gov/health/reports/2011/IndividualMarket/ib.shtml>.

<sup>3</sup> Section 1001. Information on the preventive services that are covered is available at <http://www.healthcare.gov/news/factsheets/2010/07/preventive-services-list.html>. Certain plans designated as "grandfathered" are not subject to this provision.

<sup>4</sup> B.D. Sommers, L. Wilson. "Fifty-four million additional Americans are receiving preventive services without cost-sharing." Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, 2011. accessed at URL: <http://aspe.hhs.gov/health/reports/2012/PreventiveServices/ib.shtml>.

plans with no cost-sharing.<sup>5</sup> Eliminating such barriers as copayments, co-insurance, and deductibles will increase access to services that improve the health of women and their children.<sup>6</sup> For example, prenatal care helps improve maternal health and birth outcomes.<sup>7</sup>

### Improved Medicare Coverage:

Women represent 56.9 percent of Americans aged 65 years and over, almost all of whom participate in Medicare.<sup>8</sup> The 24.7 million women who have coverage through Medicare can now receive additional preventive services without cost-sharing, including an annual wellness visit, a personalized prevention plan, mammograms, and bone mass measurement for women at risk of osteoporosis.<sup>9</sup>

The Affordable Care Act expands prescription drug coverage under Medicare by closing the Medicare prescription drug coverage gap, often called the “donut hole.”<sup>10</sup> More than 2 million women are already benefitting from this provision, saving \$1.2 billion on their prescription drugs.<sup>11</sup> This number is projected to grow to 3 million women, saving \$4.9 billion in 2021, as the donut hole is fully closed over the coming decade.<sup>12</sup>

---

<sup>5</sup> Covered benefits are summarized in <http://www.healthcare.gov/law/resources/regulations/womensprevention.html>. Grandfathered plans are not subject to these requirements.

<sup>6</sup> Helen Levy and David Meltzer, 2008. “The Impact of Health Insurance on Health.” *Annual Review of Public Health* Vol. 29: 399-409; Kaiser Family Foundation, December 2010. Impact of Health Reform on Women’s Access to Coverage and Care. *Focus on Health Reform*. Washington, D.C.: Henry J. Kaiser Family Foundation. <http://www.kff.org/womenshealth/upload/7987.pdf> (accessed 03/13/2012)].

<sup>7</sup> Institute of Medicine, July 2011. *Clinical Preventive Services for Women: Closing the Gaps*. Washington, D.C.: The National Academies Press

<sup>8</sup> U.S. Census Bureau, 2010 Summary File 1, Tables P12, P13, and PCT12.

<sup>9</sup> The Medicare preventive services provisions are in Section 4104. Medicare enrollment data are from the 2011 Medicare and Medicaid Statistical Supplement, Table 2.2 (accessed at URL [https://www.cms.gov/MedicareMedicaidStatSupp/08\\_2011.asp#TopOfPage](https://www.cms.gov/MedicareMedicaidStatSupp/08_2011.asp#TopOfPage)). The complete list of benefits covered with no cost-sharing is available in “The Affordable Care Act: Strengthening Medicare in 2011,” U.S. Department of Health and Human Services (accessed at <http://www.cms.gov/apps/files/MedicareReport2011.pdf>).

<sup>10</sup> When the Medicare prescription drug program, called Part D, was created, it included a gap in coverage. Beneficiaries pay 100 percent of their drug costs until they reach the \$320 deductible amount. After reaching the deductible, they pay 25 percent of the drug cost until total expenditures by the plan and the beneficiary reach \$2,930. The “donut hole” occurs after the \$2,930 limit where beneficiaries are responsible for the full cost of drugs until total annual out-of-pocket spending on drugs reaches \$4,700. To close the donut hole seniors in 2011 began receiving discounts on brand name drugs and generic drugs that will increase yearly until 2020, when the maximum cost-sharing for all prescription drugs above the deductible and below the annual out-of-pocket limit is reached, at 25 percent. The donut hole will be completely phased out by 2020.

<sup>11</sup> “The Affordable Care Act: Strengthening Medicare in 2011” U.S. Department of Health and Human Services (accessed at <http://www.cms.gov/apps/files/MedicareReport2011.pdf>)

<sup>12</sup> These numbers were calculated by applying the growth rates shown for all beneficiaries in “Medicare Beneficiary Savings and the Affordable Care Act,” Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, 2012 (accessed at <http://www.aspe.hhs.gov/health/reports/2012/MedicareBeneficiarySavings/ib.shtml>) to the 2011 estimates for women in “The Affordable Care Act: Strengthening Medicare in 2011,” cited above.

**Ending Gender Discrimination in Premiums:**

Today, many insurance companies in the individual market charge women higher premiums than men. A 25-year-old woman enrolled in a health plan—one that does not cover maternity care—may pay as much as 81 percent more than a 25-year-old man enrolled in the same plan.<sup>13</sup> Similarly, a 40-year-old non-smoking woman pays up to 57 percent more than a 40-year-old male smoker in the same plan. Beginning in 2014 insurance companies in the individual and small-group health insurance market may no longer charge higher rates due to gender or health status. Premiums can vary based on age, tobacco use, family size and geographic location, within limits set by the Affordable Care Act.

**Expanded Insurance Coverage:**

Today, most nonelderly women are covered by health insurance offered by employers. However, women are more likely than men to be covered as family members through their spouse's employer.<sup>14</sup> That means that women's coverage is often dependent on their spouse's circumstances. Depending on their coverage, women can lose their health insurance coverage if they lose their job, or if they become widowed, divorced, or if their husbands lose their jobs. The Affordable Care Act expands the availability of insurance options, outside of employer-sponsored insurance, for all Americans, providing a larger range of insurance options and improving the security of insurance for women.

Already, young adults ages 19-25 can be covered under their parents' employer-sponsored or individually purchased health insurance.<sup>15</sup> In the first nine months after this provision took effect, the proportion of young adults in this age group with health insurance increased by 8.3 percent.<sup>16</sup> Today, an estimated 1.1 million young women have health insurance coverage because of this provision of the Affordable Care Act.<sup>17</sup>

By 2016, an additional 13.5 million women are expected to gain health insurance through other provisions of the Affordable Care Act (Figure 1).<sup>18</sup> Starting in 2014, new Affordable Insurance Exchanges will provide women without access to employer-based coverage with one-stop marketplaces where they can choose the coverage that best fits their needs and have the same

---

<sup>13</sup> National Women's Law Center. "Turning to Fairness." 2012. Accessed at [http://www.nwlc.org/sites/default/files/pdfs/nwlc\\_2012\\_turningtofairness\\_report.pdf](http://www.nwlc.org/sites/default/files/pdfs/nwlc_2012_turningtofairness_report.pdf)

<sup>14</sup> Twenty-four percent of women are covered as dependents, compared with 14 percent of men. Kaiser Family Foundation, Women's Health Insurance Coverage Factsheet, December 2011. (Accessed at <http://www.kff.org/womenshealth/upload/6000-091.pdf>).

<sup>15</sup> Section 1001, adding Section 2713 to the Public Health Service Act.

<sup>16</sup> B.D. Sommers, K. Schwartz. "2.5 million young adults gain health insurance due to the Affordable Care Act." Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, 2011. (Accessed at <http://aspe.hhs.gov/health/reports/2011/YoungAdultsACA/ib.shtml>). The estimate is based on data from the June 2011 National Health Interview Survey (NHIS).

<sup>17</sup> This number was estimated by multiplying the NHIS estimate of 2.5 million young adults that gained insurance through Affordable Care Act by the percentage of uninsured adults ages 19-25 who were women, prior to implementation of the dependent coverage provision (44.2 percent, estimate for Calendar Year 2009 from the March 2010 Current Population Survey Annual Social and Economic Supplement).

<sup>18</sup> Estimates provided to the Office of the Assistant Secretary for Planning and Evaluation under contract no. HHSP23320095649WC. Information on the RAND COMPARE model is available at <http://www.rand.org/health/projects/compare.html>.

kinds of insurance choices as members of Congress.<sup>19</sup> Women with incomes up to 400 percent of federal poverty guidelines (currently \$89,400 for a family of four) will be eligible to purchase coverage using tax credits. In addition, the Affordable Care Act expands Medicaid coverage to include almost all Americans with family incomes at or below 133 percent of federal poverty guidelines (currently \$30,657 for a family of four); the expansion includes adults without dependent children who have not historically been eligible for Medicaid in most states.<sup>20</sup>

The Affordable Care Act benefits women in many other ways, including:

- **Coverage for Women with Preexisting Conditions.** Under the Affordable Care Act insurers cannot deny coverage to adult women or men because of a pre-existing health condition, starting in 2014. (The Affordable Care Act banned insurers from such discrimination for children in 2010.) Until then, a new program called the Pre-Existing Condition Insurance Plan (PCIP) makes health coverage available and more affordable for individuals who are uninsured and have been denied health insurance by insurance companies because of a pre-existing condition. Fifty-four percent of today's PCIP enrollees are women, making a total of 27,000 previously uninsured women with serious health conditions who were shut out of the private insurance market, but now covered by health insurance.<sup>21</sup>
- **Chronic Disease Management.** Older women are more likely to have chronic conditions than men,<sup>22</sup> and certain chronic conditions, including hypertension, arthritis, osteoporosis, and asthma, are more prevalent among older women than older men.<sup>23</sup> The Affordable Care Act invests in community-based strategies such as Community Transformation Grants to improve chronic disease prevention.<sup>24</sup>
- **Small-Business Health Care Tax Credit.** In 2011 an estimated 360,000 small businesses will receive tax credits to help toward the cost of health insurance coverage.<sup>25</sup> Women own 35 percent of small businesses with fewer than 25 employees.<sup>26</sup> The Affordable Care Act provides small-business tax credits to encourage employers to offer health insurance coverage for the first time or maintain coverage they already have. Small businesses with average employee incomes

---

<sup>19</sup> Section 1401.

<sup>20</sup> Section 2001. Section 2002 provides for an income disregard of 5 percent of Federal Poverty Guidelines, raising the effective income limit to 138 percent (\$31,809 for a family of four).

<sup>21</sup> Centers for Medicare and Medicaid Services, *Covering People with Pre-Existing Conditions: Report On The Implementation And Operation Of The Pre-Existing Condition Insurance Plan Program*, February 23, 2012 (Accessed at <http://www.cciio.cms.gov/resources/files/Files2/02242012/pcip-annual-report.pdf>)

<sup>22</sup> CDC/National Center for Health Statistics: National Health Interview Survey. [http://www.cdc.gov/nchs/health\\_policy/adult\\_chronic\\_conditions.htm](http://www.cdc.gov/nchs/health_policy/adult_chronic_conditions.htm)

<sup>23</sup> Kristen Robinson, "Trends in Health Status and Health Care Use Among Older Women" U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, March 2007 (Accessed at <http://www.cdc.gov/nchs/data/ahcd/agingtrends/07olderwomen.pdf>)

<sup>24</sup> Section 4201.

<sup>25</sup> The White House, Office of the Press Secretary, "Fact Sheet: President Obama's Budget Expands, Simplifies Small Business Health Care Tax Credits" (Accessed at <http://www.whitehouse.gov/the-press-office/2012/02/16/fact-sheet-president-obama-s-budget-expands-simplifies-small-business-he>)

<sup>26</sup> Estimates from the 2007 Survey of Business Owners derived from total female-owned and equally female-male owned firms in all sectors. (Data accessed at <http://www.census.gov/econ/sbo/>)

of \$50,000 or less qualify for a tax credit of up to 35 percent of premiums.<sup>27</sup> The credit will increase to 50 percent in 2014.

- **Long-Term Care.** More than two-thirds (67.4 percent) of Americans aged 85 years or older are women.<sup>28</sup> Women in this age range are more likely than men to live in nursing homes, or to live alone and require help with personal care needs such as eating, bathing, dressing, or getting around inside their home. One in five women over age 85 living in the community need assistance with personal care needs and rely on adult children, family members, friends, and paid caregivers.<sup>29</sup> Under the Affordable Care Act, additional resources are available to help state Medicaid programs offer additional services for those who wish to stay at home and in the community, rather than entering nursing homes.<sup>30</sup> The Affordable Care Act also protects the families of Medicaid enrollees receiving home- and community-based services in the same way that Medicaid now protects the families of those who enter nursing homes. It also provides better information about the choices available to those who need nursing home care.<sup>31</sup>
- **Office of Women’s Health.** The Affordable Care Act gives new authorities to the Office on Women’s Health to establish short-range and long-range goals and objectives within the Department of Health and Human Services and to coordinate with other appropriate offices on activities within HHS relating to disease prevention, health promotion, service delivery, research, and public and health care professional education, for issues of particular concern to women throughout their lives.<sup>32</sup>

The Affordable Care Act strengthens health care for women in all age groups. Women with private insurance coverage are already benefiting from expanded coverage of preventive services, and will soon be paying fairer premiums as well. Millions more have benefitted from improvements in the Medicare program. And many women who would otherwise remain uninsured will gain coverage beginning in 2014.

---

<sup>27</sup> Section 1421. For more information see U.S. Department of Treasury, Internal Revenue Service, “What You Need to Know about the Small Business Health Care Tax Credit” (Accessed at <http://www.irs.gov/newsroom/article/0,,id=223666,00.html>)

<sup>28</sup> U.S. Census Bureau, 2010 Summary File 1, Tables P12, P13, and PCT12.

<sup>29</sup> Kristen Robinson, “Trends in Health Status and Health Care Use Among Older Women” U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, March 2007 (Accessed at <http://www.cdc.gov/nchs/data/ahcd/agingtrends/07olderwomen.pdf>). In 2004, there were almost 1 million women aged 65 years and over living in nursing homes. Furthermore, 19 percent of women aged 65 years and over had a health problem that required special equipment such as a cane, a wheelchair, a special bed, or a special telephone.

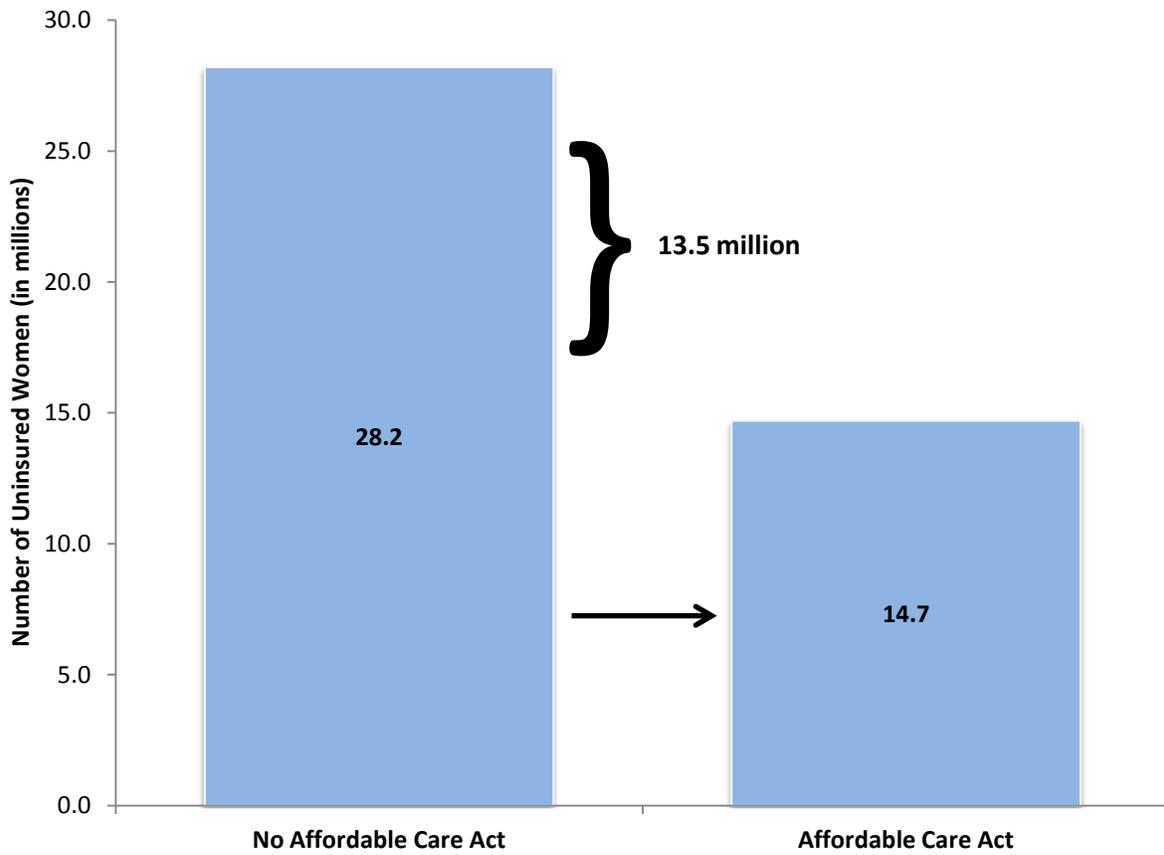
<sup>30</sup> Section 2401 (Community First Choice Option) and Section 10202 (Balancing Incentive Program).

<sup>31</sup> Sections 2404 (protection for recipients of home and community-based services against spousal impoverishment), 6102 (accountability requirements for skilled nursing facilities and nursing facilities), and 6103 (nursing home compare Medicare website).

<sup>32</sup> Section 3509 of the Affordable Care Act, adding Section 229 to the Public Health Service Act.

<b>Table 1. Key Benefits of the Affordable Care Act for Women</b>		
<b>Benefit</b>	<b>Number of Women Affected</b>	<b>When Effective</b>
Pre-Existing Condition Insurance Plan (PCIP)	27,000	July 1-October 25, 2010 (varied by state)
Preventive Health Services (Private Insurance)	20.4 million	Plan years beginning on or after September 23, 2010
Expanded Insurance Coverage (ages 19-25)	1.1 million	Plan years beginning on or after September 23, 2010
Preventive Health Services (Medicare)	24.7 million	January 1, 2011
Improved Medicare Prescription Drug Coverage	2 million	January 1, 2011
Expanded Insurance Coverage (ages 0-64)	13.5 million	January 1, 2014
Women who buy coverage in the individual market will gain maternity coverage	8.7 million	January 1, 2014

**Figure 1: Thirteen Million Women Will Gain Coverage Under the Affordable Care Act**



Source: RAND COMPARE microsimulation model.

Note: Estimates shown are for 2016 coverage of individuals ages 0-64.