



# ASPE

## ISSUE BRIEF

### INCREASED COVERAGE OF PREVENTIVE SERVICES WITH ZERO COST SHARING UNDER THE AFFORDABLE CARE ACT

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The Affordable Care Act ensures that most insurance plans (so-called ‘non-grandfathered’ plans) provide coverage for certain preventive health services without cost sharing for plan or policy years beginning on or after September 23, 2010.<sup>1</sup> This includes screening for colon cancer for adults over 50, Pap smears and mammograms for women, well-child visits, flu shots for all children and adults, and many more services.<sup>2</sup>

#### Highlights

- Seventy six million Americans are estimated to be newly eligible for expanded preventive services coverage under the Affordable Care Act—including 30 million women. Altogether, a total of 48.5 million women are estimated to benefit from free preventive services.
- According to data from the IMS Institute for Healthcare Informatics (IMS), between 2012 and 2013, the number of women who filled prescriptions for oral contraceptives with no co-pay more than quadrupled from 1.2 million in 2012 to 5.1 million in 2013 (an increase of 3.9 million).
- IMS estimated that the total number of prescriptions for oral contraceptives with no co-pay increased by more than four-fold from 6.8 million in 2012 to 31.1 million in 2013 (an increase of 24.4 million) in part due to the Affordable Care Act’s zero-cost sharing provisions for certain preventive services.
- This increase in oral contraceptive prescriptions dispensed with no co-pay contributed to a reduction in out-of-pocket costs estimated by IMS at \$483.3 million that would have been spent in 2013 had women bought the same mix of oral contraceptives as those purchased in 2012.

<sup>1</sup> *Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Coverage of Preventive Services Under the Patient Protection and Affordable Care Act*, U.S. Departments of Treasury; Labor; and Health and Human Services. Federal Register, Vol. 75, 41726 (July 19, 2010).

<sup>2</sup> *Preventive Care Benefits*. U.S. Department of Health and Human Services, 2014. Accessed at: <https://www.healthcare.gov/what-are-my-preventive-care-benefits/#part=1>

While some plans already covered the full costs of these services prior to the Affordable Care Act, millions of Americans were enrolled in health plans that did not. According to the Kaiser Family Foundation's Employer Health Benefits Survey in 2012, 41 percent of all workers were covered by employer-sponsored group health plans that expanded their list of covered preventive services due to the Affordable Care Act.<sup>3</sup> The most recent data from the Census Bureau show that as of 2012, 175 million Americans under age 65 were enrolled in private health coverage.<sup>4</sup> Putting these facts together ( $0.41 \times 175$  million), this gives us approximately 71.8 million privately insured individuals with expanded preventive services coverage. In addition, current enrollment data show that approximately 8 million non-elderly people selected a Marketplace plan since initial open enrollment began.<sup>5</sup> A recent Kaiser survey shows that nearly 6 in 10 people (57 percent or approximately 4.5 million enrollees) enrolled in Marketplace plans were previously uninsured.<sup>6</sup> Based on these data, we estimate that approximately 76 million Americans – and 30 million women – are now eligible to receive expanded coverage of one or more preventive services because of the Affordable Care Act.<sup>7, 8</sup>

Using national survey data on children and adults with private insurance and data on enrollment in the Marketplace, we next estimated how those 76 million people are distributed across states, and across age, race, and ethnic groups. We examined the following age/gender groups, and provide here examples of the services now available to them without any cost sharing. Note that this is not an exhaustive list of recommended preventive services required to be covered for people under age 65 and is only meant to highlight illustrative examples.

- **Children:** Coverage includes immunization vaccines for children from birth to age 18; vision screening; hearing screening for newborns; behavioral assessments; obesity screening; and height, weight, and body mass index measurements.
- **Women:** Coverage includes cervical cancer screening, mammograms for women over 40, recommended immunizations, healthy diet counseling for women at higher risk for chronic disease<sup>9</sup> and obesity screening and counseling; cholesterol and blood pressure screening; screening for HIV; depression

<sup>3</sup> Kaiser Family Foundation – Health Research and Education Trust. Employer Health Benefits: 2012 Summary of Findings. Exhibit 13.7 shows that 41% of workers were in plans “where the services considered preventive changed because of the ACA.” The same analysis shows that 27% of workers were in plans “where cost sharing changed for preventive services because of the ACA.” We made the conservative assumption that these two groups overlapped completely, meaning that 41% experienced expanded coverage and/or reduced cost sharing, though in fact if some people in the second group were not in the first, the overall percentage of workers affected by expanded coverage *or* by reduced cost sharing as a result of the ACA could have been even higher than 41% and as high as 68% ( $41\% + 27\%$ ).

<sup>4</sup> DeNavas-Walt C, Proctor BD, Smith JC. Census Bureau, Current Population Reports, P60-243, Income, Poverty, and Health Insurance Coverage in the United States: 2012, Government Printing Office, Washington, DC, 2013.

<sup>5</sup> The Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, May 1, 2014, “Health Insurance Marketplace: Summary Enrollment Report for the Initial Annual Open Enrollment Period,” for the period October 1, 2013 through March 31, 2014, including additional special enrollment period activity reported through 4-19-2014). Accessed at: [http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib\\_2014Apr\\_enrollment.pdf](http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014Apr_enrollment.pdf)

<sup>6</sup> Liz Hamel, Mira Rao, Larry Levitt, Gary Claxton, Cynthia Cox, Karen Pollitz, and Mollyann Brodie, *Survey of Non-Group Health Insurance Enrollees: A First Look at People Buying Their Own Health Insurance Following Implementation of the Affordable Care Act*, Kaiser Family Foundation, June 2014.

<sup>7</sup> We included people with non-group plans in this calculation, since non-group coverage tends to be less generous than employer-provided insurance, suggesting that at least 41 percent of people in the non-group market likely experienced expanded coverage for preventive services due to this provision. We also added in the 4.5 million people who were previously uninsured and selected Marketplace plans during the initial enrollment period October 1, 2013 through March 31, 2014 (including the additional special enrollment period activity reported through 4-19-2014). [ $(.41 \times 175m) + 4.5m = 76m$ ] This is a conservative estimate since it is possible that those who did have insurance prior to selecting a Marketplace plan might not have had coverage of preventive services without cost-sharing if they had been in one of the “grandfathered” plans exempt from this requirement.

<sup>8</sup> This estimate includes only non-elderly Americans with private insurance. In addition, Sections 4103 and 4104 of the Affordable Care Act eliminated cost sharing for Medicare beneficiaries receiving annual wellness visits and certain recommended preventive care including colorectal cancer screening, mammograms, bone mass measurement, and other services. <http://www.hhs.gov/healthcare/prevention/seniors/medicare-preventive-services.html>

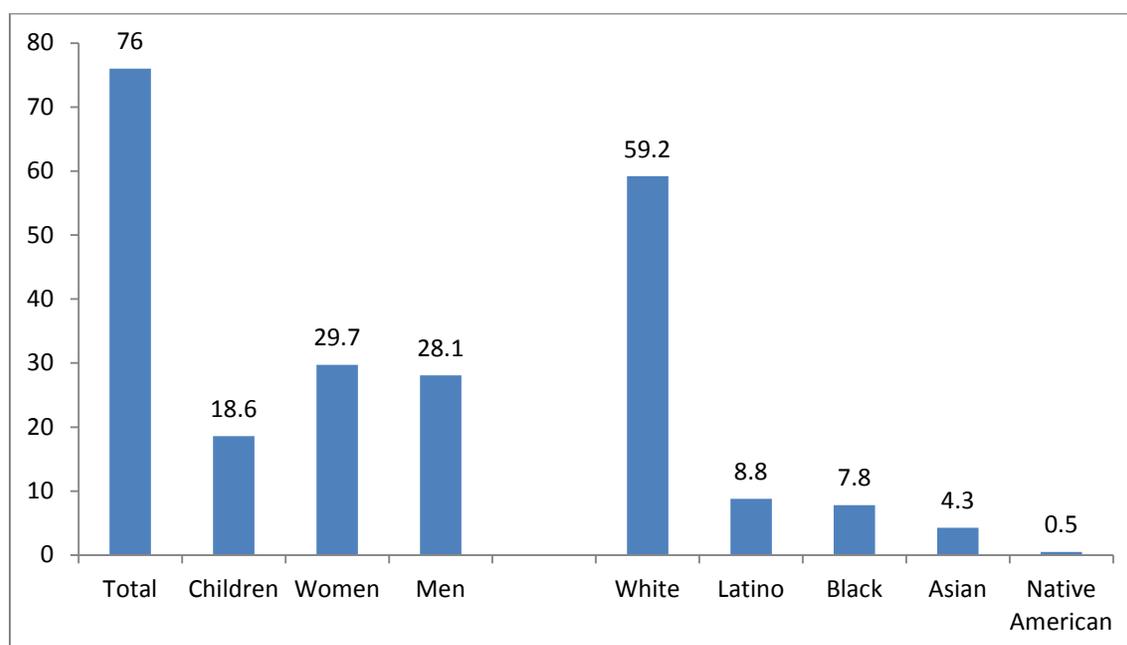
<sup>9</sup> Note this service is for patients with high cholesterol and other risk factors for cardiovascular and diet-related chronic disease.

screening; and tobacco-use screening; well-woman visits, screening for gestational diabetes, domestic violence screening and counseling, and FDA-approved contraception with no cost sharing.<sup>10</sup>

- **Men:** Coverage includes recommended immunizations such as flu shots, colorectal cancer screening for adults over 50, healthy diet counseling for those at higher risk for chronic disease, obesity screening and counseling, cholesterol and blood pressure screening, screening for HIV, depression screening, and tobacco-use screening.

Figure 1 presents national totals, including breakdowns by age, gender, race and ethnicity. Table 1 presents totals by state.<sup>11</sup>

**FIGURE 1: Number of Americans Estimated to be Newly Covered for Expanded Preventive Services Under the Affordable Care Act (in Millions)<sup>12</sup>**



<sup>10</sup> Certain religious employers are exempt from this requirement with respect to certain contraceptive services that otherwise would be required to be covered without cost sharing. In addition, an accommodation is available to certain other non-profit organizations with religious objections to contraception coverage, such that these eligible organizations are not required to contract, arrange, pay, or refer for contraceptive coverage. See 45 C.F.R. § 147.131.

<sup>11</sup> Data come from the Census Bureau's Current Population Survey, for the years 2010-2012. We use three pooled years to allow for state-level estimates. We analyzed the proportion of all non-elderly individuals (0-64 years old) with private insurance in each category and state listed in Figure 1 and Table 1, and scaled the survey-weighted percentages to total 71.6 million individuals in aggregate (the number of those with private coverage from the Census data alone), to match the projected number of people affected by this policy. Note that this overall approach is only a rough approximation and does not reflect any potential uneven distribution of individuals by age, race/ethnicity, or state of residence in private plans affected by the preventive coverage provisions of the Affordable Care Act. We then added the state breakouts from the enrollment data to the Census state breakouts to get national totals and state totals that reflect the estimates of those with expanded preventive service coverage from both data sources.

<sup>12</sup> The Census Bureau records race and ethnicity separately, which means that totals combining racial and ethnic groups sum to more than 100%. The source of these data are: ASPE calculations using Census Bureau's Current Population Survey, for the years 2010-2012 and enrollment data from the Marketplace Summary Enrollment Report (for more information see: [http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib\\_2014Apr\\_enrollment.pdf](http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014Apr_enrollment.pdf)). Age data for women and men were not available for the State-based Marketplace (SBM); gender estimates include the elderly in the enrollment data for the SBMs. Enrollment data for race and ethnicity were not available for the SBMs. The estimates presented here by race and ethnicity do not include enrollment data for the State-Based Marketplaces. Age breakouts by race and ethnicity also were not available for any of the states. Enrollment data by race and ethnicity include the elderly. The elderly are 0.5% of the total enrollment for the country (eight million).

**TABLE 1: Americans Estimated to be Newly Covered for Expanded Preventive Services Under the Affordable Care Act, by State<sup>13</sup>**

State	Total	Children	Women	Men
Alabama	1,170,000	280,000	467,000	424,000
Alaska	172,000	45,000	64,000	65,000
Arizona	1,486,000	398,000	557,000	546,000
Arkansas	598,000	142,000	237,000	221,000
California	9,050,000	2,177,000	3,514,000	3,407,000
Colorado	1,382,000	368,000	520,000	502,000
Connecticut	991,000	246,000	386,000	362,000
Delaware	225,000	56,000	88,000	82,000
District of Columbia	152,000	24,000	68,000	61,000
Florida	4,349,000	935,000	1,801,000	1,638,000
Georgia	2,358,000	579,000	933,000	854,000
Hawaii	333,000	79,000	128,000	127,000
Idaho	407,000	114,000	149,000	149,000
Illinois	3,183,000	774,000	1,233,000	1,184,000
Indiana	1,592,000	415,000	609,000	573,000
Iowa	813,000	209,000	305,000	299,000
Kansas	714,000	186,000	273,000	257,000
Kentucky	1,027,000	243,000	401,000	388,000
Louisiana	965,000	233,000	382,000	351,000
Maine	331,000	71,000	138,000	125,000
Maryland	1,575,000	379,000	623,000	575,000
Massachusetts	1,786,000	428,000	692,000	650,000
Michigan	2,518,000	634,000	983,000	910,000
Minnesota	1,465,000	396,000	536,000	532,000
Mississippi	639,000	159,000	251,000	230,000
Missouri	1,532,000	382,000	585,000	571,000
Montana	230,000	54,000	90,000	87,000
Nebraska	505,000	131,000	189,000	188,000
Nevada	633,000	169,000	222,000	219,000
New Hampshire	382,000	88,000	152,000	143,000
New Jersey	2,282,000	591,000	869,000	828,000
New Mexico	401,000	98,000	160,000	144,000
New York	4,695,000	1,085,000	1,871,000	1,745,000
North Carolina	2,266,000	537,000	917,000	827,000
North Dakota	193,000	49,000	72,000	73,000
Ohio	2,814,000	698,000	1,079,000	1,045,000
Oklahoma	849,000	213,000	330,000	310,000
Oregon	943,000	220,000	380,000	345,000
Pennsylvania	3,368,000	759,000	1,338,000	1,277,000
Rhode Island	268,000	62,000	107,000	100,000
South Carolina	1,084,000	260,000	443,000	386,000
South Dakota	211,000	55,000	79,000	78,000
Tennessee	1,514,000	356,000	597,000	566,000
Texas	5,762,000	1,456,000	2,211,000	2,130,000
Utah	833,000	281,000	283,000	278,000
Vermont	171,000	33,000	72,000	67,000
Virginia	2,153,000	549,000	849,000	766,000
Washington	1,694,000	389,000	675,000	635,000
West Virginia	413,000	100,000	162,000	152,000
Wisconsin	1,539,000	382,000	587,000	573,000
Wyoming	146,000	39,000	53,000	55,000
<b>TOTAL</b>	<b>76,162,000</b>	<b>18,606,000</b>	<b>29,710,000</b>	<b>28,100,000</b>

<sup>13</sup> The source of these data are: ASPE calculations using Census Bureau's Current Population Survey, for the years 2010-2012 and enrollment data from the Marketplace Summary Enrollment Report (for more information see: [http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib\\_2014Apr\\_enrollment.pdf](http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014Apr_enrollment.pdf)). The age range for these estimates are ages 0 to 17 for children and 18 to 64 for both men and women. Age data for women and men were not available for the State-based Marketplace (SBM); gender estimates include the elderly in the enrollment data for the SBMs.

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The numbers in Table 1 represent people who had a change in coverage related to the Affordable Care Act. Of course, the total number of people who benefit from coverage of preventive services with no out-of-pocket cost is higher once you take into account those who already had that benefit at baseline. Using 2013 Kaiser Survey data of the number of people covered by non-grandfathered plans, we estimate that a total of 48.5 million women ages are able to benefit from free preventive services (see Table 2 for totals by state).<sup>14</sup>

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<sup>14</sup> To estimate the total number of women guaranteed preventive services coverage with no cost sharing, we used the proportion of covered workers in non-grandfathered plans from the Kaiser Family Foundation's 2013 Employer Health Benefits Survey together with the number of women enrolled through the Marketplace.

**TABLE 2: Americans Estimated to Covered in Non-Grandfathered Plans for Expanded Preventive Services Under the Affordable Care Act, by State<sup>15</sup>**

State	Total	Children	Women	Men
Alabama	1,836,000	346,000	791,000	728,000
Alaska	264,000	54,000	106,000	107,000
Arizona	2,282,000	501,000	915,000	919,000
Arkansas	920,000	184,000	382,000	368,000
California	13,681,000	2,764,000	5,640,000	5,515,000
Colorado	2,117,000	460,000	858,000	841,000
Connecticut	1,522,000	299,000	641,000	610,000
Delaware	347,000	69,000	146,000	137,000
District of Columbia	234,000	32,000	107,000	96,000
Florida	6,476,000	1,181,000	2,806,000	2,603,000
Georgia	3,580,000	726,000	1,513,000	1,405,000
Hawaii	517,000	98,000	214,000	213,000
Idaho	611,000	145,000	240,000	241,000
Illinois	4,901,000	973,000	2,032,000	1,973,000
Indiana	2,443,000	515,000	1,010,000	961,000
Iowa	1,259,000	262,000	509,000	507,000
Kansas	1,096,000	238,000	450,000	427,000
Kentucky	1,577,000	312,000	653,000	636,000
Louisiana	1,473,000	293,000	623,000	580,000
Maine	503,000	89,000	221,000	201,000
Maryland	2,437,000	474,000	1,035,000	970,000
Massachusetts	2,778,000	533,000	1,164,000	1,101,000
Michigan	3,844,000	786,000	1,610,000	1,516,000
Minnesota	2,270,000	497,000	898,000	905,000
Mississippi	977,000	198,000	407,000	389,000
Missouri	2,343,000	490,000	957,000	937,000
Montana	347,000	69,000	143,000	140,000
Nebraska	775,000	166,000	312,000	311,000
Nevada	974,000	215,000	378,000	376,000
New Hampshire	584,000	108,000	248,000	237,000
New Jersey	3,510,000	726,000	1,457,000	1,389,000
New Mexico	615,000	124,000	262,000	239,000
New York	7,210,000	1,359,000	3,069,000	2,893,000
North Carolina	3,424,000	674,000	1,462,000	1,353,000
North Dakota	298,000	63,000	120,000	120,000
Ohio	4,343,000	878,000	1,805,000	1,736,000
Oklahoma	1,303,000	271,000	538,000	514,000
Oregon	1,449,000	283,000	619,000	569,000
Pennsylvania	5,156,000	956,000	2,167,000	2,107,000
Rhode Island	409,000	74,000	175,000	166,000
South Carolina	1,655,000	334,000	715,000	630,000
South Dakota	326,000	70,000	131,000	130,000
Tennessee	2,315,000	450,000	976,000	927,000
Texas	8,762,000	1,868,000	3,562,000	3,493,000
Utah	1,274,000	359,000	476,000	472,000
Vermont	254,000	40,000	112,000	106,000
Virginia	3,292,000	698,000	1,380,000	1,269,000
Washington	2,593,000	488,000	1,094,000	1,048,000
West Virginia	639,000	124,000	267,000	257,000
Wisconsin	2,357,000	469,000	971,000	954,000
Wyoming	224,000	48,000	87,000	92,000
<b>TOTAL</b>	<b>116,376,000</b>	<b>23,433,000</b>	<b>48,454,000</b>	<b>46,414,000</b>

<sup>15</sup> The source of these data are: ASPE calculations using Census Bureau's Current Population Survey, for the years 2010-2012 and enrollment data from the Marketplace Summary Enrollment Report (for more information see: [http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib\\_2014Apr\\_enrollment.pdf](http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014Apr_enrollment.pdf)). The age range for these estimates are ages 0 to 14 for children and 15 to 64 for both men and women. Age data for women and men were not available for the State-based Marketplace (SBM); gender estimates include the elderly in the enrollment data for the SBMs.

## Women's Preventive Services

Under the preventive services provisions in the Affordable Care Act, non-grandfathered health insurance plans and policies are required to cover 100 percent of the costs of certain recommended preventive services for women—that is, without charging a co-pay, co-insurance, deductible, or other cost sharing. The Women's Preventive Services Guidelines supported by the Health Resources and Services Administration (Guidelines), which specify these services, were designed to address health needs that are specific to women and fill gaps in other existing preventive care recommendations.<sup>16</sup> The Guidelines include annual well-woman visits; screening for gestational diabetes; human papillomavirus DNA testing; counseling for sexually transmitted infections; HIV counseling and screening; FDA-approved contraceptive methods and counseling; breastfeeding support, supplies, and counseling; and screening and counseling for interpersonal and domestic violence.<sup>17</sup> These coverage requirements took effect for plan or policy years starting on or after August 1, 2012, so the impact may have started in 2012 (but for most consumers, they took effect with the new plan or policy year on or after January 1, 2013).

A recent report from the IMS Institute for Healthcare Informatics (IMS), in 2013, found that oral contraceptives accounted for the largest increases in prescriptions dispensed with no cost sharing.<sup>18</sup> IMS estimated that the number of prescriptions for oral contraceptives with no co-pay rose 24.4 million from 2012 to 2013 in part due to the Affordable Care Act's zero-cost sharing provisions for certain preventive services. Figure 2 displays the proportion of prescriptions for oral contraceptives dispensed with and without co-pay among women with private insurance. The number of prescriptions with no co-pay increased more than four-fold from 6.8 million in 2012 to 31.1 million in 2013.<sup>19</sup> This contributed to a reduction in out-of-pocket costs of \$483.3 million that would have been spent in 2013 had women purchased the same mix of brand, generic, branded generic, and other types of oral contraceptives as those purchased in 2012.<sup>20</sup>

According to data from IMS, 9.1 million women filled prescriptions for oral contraceptives in 2013.<sup>21, 22</sup> IMS reports that the share of women with no out-of-pocket costs for oral contraceptives increased from 14 percent in 2012 (1.2 million women) to 56 percent in 2013 (5.1 million women).<sup>23</sup> That is, according to data from IMS, the number of women filling prescriptions for oral contraceptives with no co-pay increased by 3.9 million from 2012 to 2013 (see Table 3). By making preventive services more affordable and accessible, this is one way the Affordable Care Act is helping women.

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<sup>16</sup> "If a recommendation or guideline does not specify the frequency, method, treatment, or setting for the provision of that service, the plan or issuer can use reasonable medical management techniques to determine any coverage limitations." Accessed online: [http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca\\_implementation\\_faqs12.html](http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs12.html)

<sup>17</sup> U.S. Department of Health and Human Services, August 2011. *Women's Preventive Services Guidelines: Affordable Care Act Expands Prevention Coverage for Women's Health and Well-Being*. <http://www.hrsa.gov/womensguidelines/>

<sup>18</sup> IMS Institute for Healthcare Informatics, April 2014. *Medicine Use and Shifting Costs of Healthcare*. Parsippany, NJ.

<sup>19</sup> IMS Institute for Healthcare Informatics, April 2014. *Medicine Use and Shifting Costs of Healthcare*. Parsippany, NJ.

<sup>20</sup> IMS Institute for Healthcare Informatics, April 2014. *Medicine Use and Shifting Costs of Healthcare*. Parsippany, NJ. The savings are calculated by taking the increased number of oral contraceptive prescriptions in 2013 (versus 2012) received without co-pay and estimating the money saved by multiplying the number of prescriptions times the average patient cost for a prescription in 2012 when the patient paid a co-pay.

<sup>21</sup> Based on personal communication with IMS we also report in Table 3 the estimated number of women who filled prescriptions for oral contraceptives in 2012.

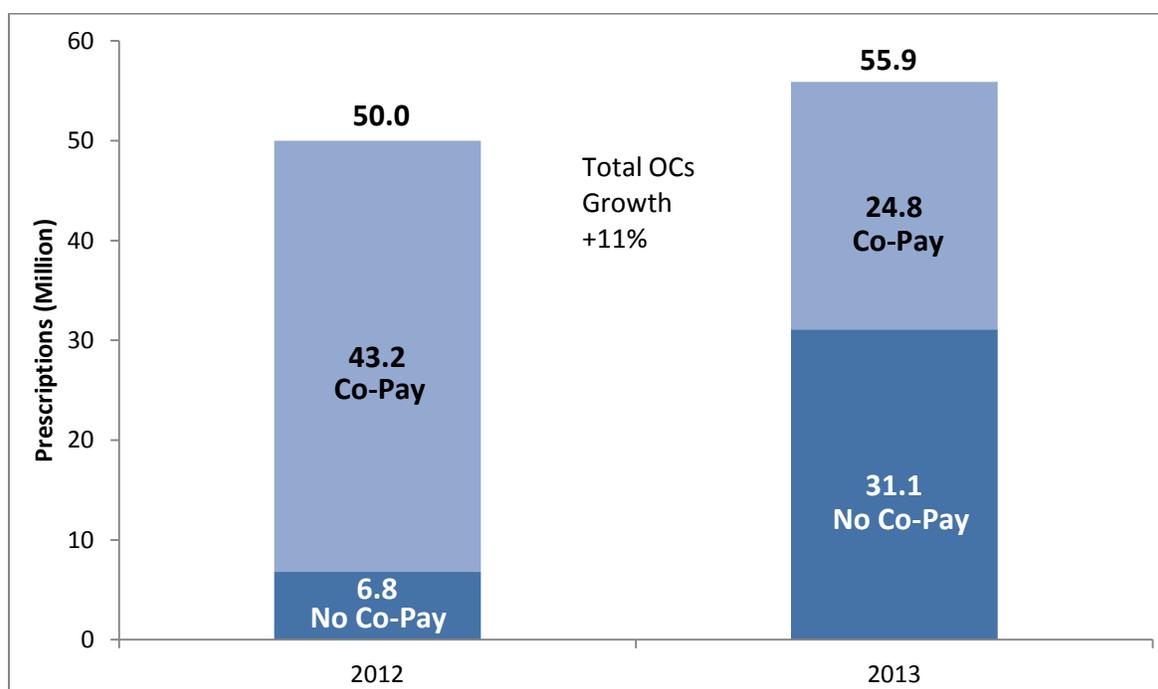
<sup>22</sup> We recognize that there are different estimates for the number of women using oral contraceptives. For example see: Jo Jones, William Mosher, and Kimberly Daniels, Current contraceptive use in the United States, 2006-2010, and changes in patterns of use since 1995, *National Health Statistics Reports*, 2012, No. 60. Estimate based on data from 2006-10 National Survey of Family Growth for women ages 15 to 44.

<sup>23</sup> IMS Institute for Healthcare Informatics, April 2014. *Medicine Use and Shifting Costs of Healthcare*. Parsippany, NJ.

**TABLE 3: Number of Women Who Filled Prescriptions for Oral Contraceptives, Total and With No Co-Pay, 2012 and 2013<sup>24</sup>**

Year	Total number of woman with oral contraceptive prescriptions	Share of women who filled prescriptions for oral contraceptives with no co-pay	Number of women who filled prescriptions for oral contraceptives with no co-pay
2013	9.1 million	56%	5.1 million
2012	8.3 million	14%	1.2 million
<i>Increase in the number of women who filled prescriptions for oral contraceptives with no co-pay 2012 to 2013:</i>			<b>3.9 million</b>

**FIGURE 2: Dispensed Prescriptions for Oral Contraceptives, Privately Insured Women<sup>25</sup>**



<sup>24</sup>Numbers of women based on personal communication with IMS Institute for Healthcare Informatics, June 2014.

<sup>25</sup>Data based on information from IMS Institute for Healthcare Informatics, April 2014. *Medicine Use and Shifting Costs of Healthcare*. Parsippany, NJ and on personal communication with IMS Institute for Healthcare Informatics, June 2014. Exact numbers of prescriptions without co-pay are 6.76 million and 31.15 million.