

## 30 million women to benefit from health reform law

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Thirty million women will benefit from the new health reform law over the next decade, either through new or strengthened insurance coverage, according to a new report from The Commonwealth Fund. In the first analysis of its kind, the authors report that the law will stabilize and reverse the growing exposure to health costs that women now experience by subsidizing health insurance for up to 15 million currently uninsured women, and strengthening existing coverage for 14.5 million women who are considered underinsured—those who have health coverage that does not adequately protect them from high medical expenses.

Provisions important to women will expand eligibility for Medicaid; provide subsidies to purchase insurance; limit out-of-pocket spending; prevent insurers from charging higher premiums or denying coverage based on health status or gender; and require new plans to cover maternity and newborn care. These provisions will also help uninsured women who earn too much to qualify for Medicaid or premium subsidies gain comprehensive coverage.

Although women are just as likely to be uninsured as men, their health care needs leave them more vulnerable to high health care costs and problems related to loss of health insurance. Because insurance carriers consider women, particularly those of reproductive age, higher risk than men, women report greater difficulties gaining coverage in the individual insurance market and are charged much higher premiums for the same benefits than men of the same age. Further, most individual policies do not cover pregnancy.

Another important provision that will help an estimated 100,000 uninsured women gain coverage is the Pre-Existing Condition Insurance Plan (PCIP) to provide temporary coverage to adults with pre-existing conditions who are uninsured during 2010 to 2013. Seventeen states and the District of Columbia began enrollment in PCIPs in July, and 12 will begin to enroll adults in August; in the 21 states without a PCIP the federal government began operation of a PCIP July 1st.

"Historically, women have been more vulnerable to high health care costs and have had greater difficulty paying medical bills because of their lower incomes," said Commonwealth Fund President Karen Davis. "This report provides good news to all women, who will be more likely to get the care they need, with reduced risk of incurring the unaffordable medical bills that have affected so many Americans."

Realizing Health Reform's Potential: Women and the Affordable Care Act of 2010 is the first in a series of Fund reports that will focus on how health reform is expected to impact various populations. It describes when provisions of the new law affecting women take effect, and how many women will be affected by specific provisions. Beginning in 2014, Medicaid coverage expansions and subsidized coverage through state [health insurance](#) exchanges could assist 15 million working-age women who currently lack insurance. The majority of these gains come from Medicaid coverage expansions that may affect up to 8 million currently insured women who earn up to \$14,000 or are in families with incomes up to \$29,000.

Women living in states with higher than average uninsurance rates stand to gain the most from the new law: New Mexico and Texas (29% uninsured in 2008); Florida and Louisiana (24% uninsured); and Alaska, Arizona, Arkansas, California, Georgia, Mississippi, West Virginia, Idaho, Kentucky, Nevada and Oklahoma (at least 20% uninsured).

Although women will have to wait until 2014 to begin to reap the greatest benefits from expanded and improved [insurance coverage](#), several early provisions beginning in 2010 will also provide important support, the study shows. These include:

- Strengthened and expanded insurance coverage for young adults, through policies that allow adult children up to age 26 to come on, or stay on, their parents' plans, and bans on pre-existing condition exclusions;
- Bans on lifetime benefit limits and phase-out of annual limits;
- Bans on rescissions of insurance policies;
- Coverage of recommended preventive services without cost-sharing including mammograms;
- Eligibility for a new plan that covers uninsured people with pre-existing conditions that currently make it difficult for them to gain coverage; and
- Rebates to women enrolled in Medicare who reach the "doughnut hole" in their prescription drug plans; women, along with people with diabetes and Alzheimer's or other forms of dementia are most likely to reach this gap in coverage.

## **Insurance Market Reforms**

Nearly two in five women—an estimated 7.3 million—between the ages of 19 and 64 who tried to buy individual insurance plans over a three-year period were turned down, charged a higher price or had a pre-existing condition excluded from their plan. Beginning in 2014, all

insurers must accept everyone who applies for coverage and cannot charge higher premiums based on health status or gender.

In addition, all health plans sold through new state insurance exchanges in both the individual and small group markets will have to cover maternity and newborn care as part of the federally determined benefit packages described below.

"Women who have an individual insurance market policy that charges them higher premiums than men, who have been unable to secure coverage for the cost of a pregnancy, or who have a preexisting health condition excluded from their benefits will ultimately find themselves on a level playing field with men, with a full range of comprehensive benefits, including maternity coverage," said lead study author Sara Collins, a vice president at the Commonwealth Fund.

## **Insurance Exchanges and Subsidies**

Uninsured women who earn too much to qualify for Medicaid will be able to purchase policies through state-run exchanges that will offer federally determined essential benefit plans with four levels of cost-sharing with an annual cap on out-of-pocket costs of \$5,950 for individuals and \$11,900 for families, beginning in 2014. In addition, women with incomes under 400 percent of poverty, or \$88,000 for a family of four, will be eligible for subsidies to offset their premiums and out-of-pocket costs. Up to 7 million currently uninsured women may gain subsidized coverage through the exchanges.

"Today many health plans don't provide a comprehensive set of affordable benefits, forcing women to choose between paying out-of-pocket for necessary service or delaying or skipping care. Better information and benefit plans that are easier to understand, along with subsidies to offset their costs, will make a significant difference for

American families," said Collins.

Women who own businesses with fewer than 50 or 100 employees, depending on the state, will also be able to purchase a health plan through the exchanges.

Provided by Commonwealth Fund

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