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Five Ways the Graham-Cassidy Proposal Would Affect Women

On September 25, 2017, an amended version of the Graham-Cassidy bill to repeal and replace the Affordable Care Act (ACA) was introduced in the U.S. Senate. The bill would make major reforms to the current health care system by repealing the ACA's Medicaid expansion, capping Medicaid spending, and eliminating Marketplaces and income-based subsidies. The bill would establish a new block grant program for states, but overall the funding levels for the coverage expansion and Medicaid would be substantially lower than under current law, and states that have expanded Medicaid would be disproportionately affected by the cut and reallocation of funding. Because of the dramatic changes that the bill could make in health care financing and insurance coverage, it would have a direct impact on the availability and scope of coverage for millions of women with private insurance and Medicaid.

The bill would:

1. Permit states to exclude maternity care and preventive services under the block grant The ACA requires all individual plans to cover ten categories of essential health benefits (EHB), including maternity care, mental health, and prescription drugs. It also requires all private plans to cover preventive services, such as contraceptives and mammograms, without cost sharing.

- The Graham-Cassidy proposal would allow states to establish rules for covered benefits for plans in their states. If states eliminate the requirement for maternity coverage, plans on the individual market would be allowed to exclude coverage for these services, as many did before the ACA. Some states have separate requirements to cover maternity services, but most do not. This would create a patchwork of requirements that vary across the country, and women in some states may not be able to purchase an individual plan that covers maternity care.
- By allowing states to determine their own benefit package, states may also decide to exclude the no-cost coverage provision for contraceptives and other preventive services in the individual market, but employer-based plans would still be required to cover these services as well as maternity care.

2. Ban all Marketplace plans and issuers receiving block grant funds from covering abortion, and bar small employers from receiving tax credits if their plans cover abortion. The ACA allows states to choose whether to ban all plans in their Marketplaces from covering abortion beyond Hyde limitations. As of September 2017, 26 states have enacted laws limiting or banning coverage of abortion in ACA Marketplaces.

- Under the Graham-Cassidy bill, the Marketplaces would remain in effect until 2020, but all Marketplace plans would be prohibited from covering abortion beyond Hyde restrictions. This would take away authority from the states to decide whether to ban abortion coverage, and would be in direct conflict with existing state policies in California, New York and Oregon[1] that require plans to cover abortion.
- Small employers would be disqualified from receiving federal tax credits if their plans include abortion coverage beyond Hyde limitations.
- New block grant funds could not be used to pay for abortion or for health insurance coverage of abortion.
- Health Savings Account (HSA) funds would be prohibited from being used to pay for either abortion services or premiums for plans that include abortion coverage beyond Hyde.

All of these policies would require women to shoulder the full cost of abortion services --even in cases when the pregnancy is a threat to their health, in cases of certain fetal demise or severe fetal anomaly.

3. Prohibit Planned Parenthood clinics from receiving federal Medicaid reimbursements for one year. Federal law already bars federal dollars from being used to pay for abortions other than those to terminate pregnancies that are a result of rape, incest or a threat to the pregnant woman's life.

- The Graham-Cassidy proposal would ban Planned Parenthood from receiving Medicaid reimbursement for non-abortion services, including family planning care and STI services. While the bill only bars funding for one year, this cut would effectively eliminate a significant share of revenues to Planned Parenthood and result in many clinic closures across the country.
- It would increase funds to Community Health Centers (CHCs), but there is no requirement for CHCs to use these funds for reproductive care. In addition, CHCs may not have the capacity to fill the gap in care that would arise by the loss of Planned Parenthood as a Medicaid provider.

4. Allow states to permit insurers to charge higher premiums to people with pre-existing conditions. The ACA prohibits insurers from varying premiums based on health status.

- The Graham-Cassidy bill would allow states to set rules relating to insurer rating practices. While states are prohibited from allowing insurers to rate premiums based on gender or genetic information, states may allow insurers to rate based on health status, age, occupation, marital status, neighborhood, and duration of coverage. In states that allow insurers to rate based on health status, insurers would be permitted to check applicants' health status at the time of the first application, and again at the time of renewal, and raise premiums accordingly. This would have the effect of raising premiums for people with conditions such as pregnancy, prior C-section, or clinical depression.
- While insurers would not be permitted to turn applicants down, many people with pre-existing conditions would no longer be able to afford health insurance. Because women are more likely than men to have a pre-existing medical condition, they could be disproportionately disadvantaged in states that choose to allow health status rating.

5. Eliminate the ACA's Medicaid expansion and restructure the program from an entitlement to a capped program with limited federal financing. The ACA allowed states to extend Medicaid eligibility to most individuals with incomes up to 138% of poverty, expanding coverage to many low-income women who do not have children and low-income parents.

- The Graham-Cassidy bill would end the Medicaid expansion and ban states from extending Medicaid coverage to women and men who do not have children. This would effectively make Medicaid coverage available only to women who become pregnant or are very poor with children.
- The loss of federal financing would also potentially force some states to roll back eligibility for parents to the very low levels that were in place before the ACA. This means some new mothers would likely lose Medicaid after the 60-day post-partum period.
- Beginning in 2020, the proposal would convert federal Medicaid funding from an open-ended matching system to a "per enrollee cap" unless states opt for a "block grant." This would shift responsibility to states to finance the program at current levels. In particular, family planning services would lose its enhanced federal match of 90%, potentially leaving states with less incentive to cover the more effective (but expensive) methods of contraception like IUDs.

If enacted, the Graham-Cassidy bill would have considerable impact on women, particularly low-income women who rely on subsidies and those who are on Medicaid. Given the gains that women have made in access to meaningful and affordable coverage, they have much at stake in the current debate over the future of our nation's private and public insurance programs.

[1] Starting in 2019, Oregon will require all plans to include abortion coverage.