
THE BRIEF

The Real War On Women: 10 Things They Don't Want Women To Know About The Patient Protection And Affordable Care Act (ObamaCare)

Background:

At the signing of the Affordable Care Act (also known as ObamaCare), President Barack Obama predicted that “all of the overheated rhetoric over reform will finally confront the reality of reform.” Three years later, the American people are in fact faced with the reality of President Obama’s health care law and are realizing **that if they think healthcare is expensive now, wait until it’s free!**

- **Our U.S. Congress is looking at laws which would exempt them and their staffs from the system they have voted for the rest of us.** As this was exposed, President Obama was compelled to say he would personally join a new insurance exchange, a meaningless gesture since the president has no need for health insurance, with a team of people devoted to his health. This speaks volumes to the ObamaCare lie that if you like the insurance you have, you'll be able to keep it. Even the people who wrote the law don't believe it.

- Our legislators are **playing semantics** and thinking we'll fall for it. The Patient Protection and Affordable Care Act sounds so nice and fuzzy. Who wouldn't want patient protections and affordable care? But the fact is, **ObamaCare is anything but affordable:**

1. The average U.S. household is \$50,052 (Source: Census Bureau), and healthcare costs eat up over \$20,000 (Source: 2012 Milliman Medical Index). That's the dollar equivalent of a brand new Toyota Corolla (without the financing bit).

2. The largest single component, of course, is the underlying cost of health insurance, which costs the average family \$15,745 (Source: The Kaiser Family Foundation) with the balance made up in out-of-pocket healthcare expenses.

- The passage of ObamaCare immediately required health insurance companies to cover preventive care at no additional cost, allowed parents to keep their kids on their plans up to age 26 and prevented denial of patients with preexisting conditions. Of course, the insurance companies are passing along the costs to us, so we will all see our **premiums rise an estimated 5-15%.**

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- **1231 well-connected companies have been granted waivers** to opt out of ObamaCare, which excuses about 4 million people, or about 3% of the population, from having to participate. (Source: HHS)

- Backers of ObamaCare often cite the British National Health Service as a model of care for all. In Britain, **hospital emergency room visits are rising**, from 18 million in 2005 to 22 million in 2012. Supporters of ObamaCare often justify its passage on the grounds that it will reduce the number of hospital emergency room visits, thereby lowering the national costs of healthcare, but this demonstrates two things:

1. When patients have "no skin in the game," there is no incentive for them not to abuse the system.

2. Decreased availability of services (extremely long wait lists for office visits with clinician face time rationed to 10 minute limits) forces people to seek treatment in a place they know they will get care on demand. (Imagine having a painful medical condition such as a urinary tract infection or shingles and being told the earliest you could be seen in a doctor's office would be 6 weeks away.)

- ObamaCare proponents also cite the Canadian Medicare system as a cure to U.S. healthcare ills. However, the Canadian Medical Association has stated that the "**system is imploding**. Canadians have to understand that the system that we have right now — if it keeps on going without change — **is not sustainable.**" (See The Brief: *What You Need To Know About The Canadian Healthcare System (Medicare)*)

- Health insurers are hesitating to join the new state health insurance exchanges under ObamaCare, making it likely that some markets will have **little or no competition** next year. (Source: Reuters)

- Rather than admit his law costs too much and fails to work the way he promised, President Obama's administration has **spent more of your hard earned tax money** and hired public relations giant Weber Shandwick to help sell ObamaCare to a justifiably increasingly skeptical public.

1. OBAMACARE DIMINISHES WOMEN'S FREEDOM AND PRIVACY

- ObamaCare vastly expands the government's power over your insurance plan, your doctors' decisions and your medical records.

- Sec. 1501 and 1302 of ObamaCare require nearly everyone to enroll in a "qualified" health plan or pay a penalty. "Qualified" means a government-designed plan covering what the Secretary of Health and Human Services decides are "essential benefits." The secretary (a presidential appointee) decides what your plan includes. The power to compel insurers to cover something is also the power to stop insurers from coverage.

- Sec. 1311(h)(1) of the law says "qualified plans" can pay only doctors and hospitals that follow the dictates of the secretary, who is empowered to impose any regulation to "improve health-care quality." That incredibly broad power could include everything — dictating when your cardiologist recommends a stent rather than a bypass or whether your ob/gyn does a cesarean.

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- Your doctor will have to enter your treatments into an electronic data base, and your doctor's decisions will be monitored for compliance with federal guidelines. Ultimately, your doctor could have to choose between doing what's right for you and avoiding a government penalty.
- The law empowers presidential appointees to standardize medical practice. The government will be in charge, even if you pay for a private health plan yourself. Either your body is free from government interference or it's not. ObamaCare takes away that freedom. (Source for this section: Betsy McCaughey, PhD.)

2. OBAMACARE FURTHER EXACERBATES THE GENDER WAGE GAP

- Men earn a national average of \$47,127, while women earn a national average of \$36,278. (Source: Bureau of Labor Statistics) Almost two-thirds of minimum-wage workers are female, and women make up the majority of workers in the ten largest occupations that pay less than \$10.10 an hour. (Source: National Women's Law Center)
- Women are losing a larger share of jobs in some higher-paying industries. In 2012, women suffered disproportionately from public sector job cuts, and job growth in the private sector has remained sluggish for women during the recovery. (Source: National Women's Law Center)
- ObamaCare considers premiums under 9.5% of income as "affordable." A worker already stretched to pay for housing, food, gas, and other necessities may not have anything left over to buy into company health plans. And if younger, healthier workers forgo coverage, everyone else will pay more. It is projected that workers will start to opt out of employer health plans when their premium costs begin to take up more than 3% of their income. This starts to happen with individuals making less than \$40,000 a year and gets more pronounced as wages decrease. (Source: ADP)

3. OBAMACARE'S EMPLOYER MANDATE TAX WILL HURT WOMEN AND YOUNGER WORKERS

- Women have been starting new businesses at a faster rate than men for the last 20 years, and are expected to create the majority of new small-business jobs in the years to come. Women owned 37% of all businesses in the United States, a number which is growing rapidly. (Source: Census Bureau)
- ObamaCare's employer mandate will discourage business development and growth with very strong disincentives for small businesses to expand. By staying small, they can avoid the new costs and burdens associated with growth. For many businesses with low profit margins who are unable to pay the substantial cost of providing comprehensive insurance to all of their employees or the new taxes under ObamaCare's employer mandate, they will be forced to use part-time, contingent or contractor labor.
- **Penalties For Failure To Insure** For firms which do not offer insurance any insurance, have more than 50 employees, and have at least one employee receiving insurance subsidies, they must pay a tax of \$2000 per subsidized employee. The tax is applied to all of a firm's employees (after excluding the first

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30), not just those that are subsidized. For example, a firm with 51 employees would pay \$42,000 in new annual taxes, and an additional \$2,000 tax for every new hire.

For firms that do offer insurance, the penalty is the lesser of \$2,000 for every employee (after exempting the first 30) or \$3,000 for every employee receiving a subsidy. (Source: obamacarewatch.org)

- **"Free-Rider" Provision** ObamaCare does not impose a straight-forward requirement that employers offer health insurance to workers. Proponents of the new law wanted to avoid the charge that the new law was directly imposing new costs on American business. So, instead, they created a back-door mandate, what they call the "free-rider" provision.

If a firm with at least 50 workers has a full-time employee who is getting federally-subsided insurance through an "exchange," then that employer must pay a penalty for failing to offer that worker acceptable insurance on the job. (Workers that are offered qualified coverage by an employer are ineligible for the new insurance subsidies provided in the exchanges.)

The tax is scheduled to begin in 2014 and the Congressional Budget Office estimates it will bring in approximately \$10 billion in annual revenue once it's fully implemented. (Source: obamacarewatch.org)

4. WOMEN-DOMINATED SERVICE INDUSTRIES WILL BE HIT HARDEST BY OBAMACARE MANDATES

- Almost two-thirds of minimum-wage workers are female, and women make up the majority of workers in the ten largest occupations that pay less than \$10.10 an hour. (Source: National Women's Law Center) Nine out of ten women in the U.S. work in the service economy - businesses that can most easily switch from full-time to part-time labor in order to avoid ObamaCare's employer mandate, especially in lower-wage areas of the service economy, such as retail.

- The non-partisan Congressional Budget Office noted that ObamaCare's tax on employers "will, over time, generally be passed on to workers through reductions in wages ... However, firms generally cannot reduce workers' wages below the minimum wage, which will probably cause some employers to respond by hiring fewer low-wage workers."

- Darden Restaurants, the company that owns the Olive Garden, Red Lobster, and LongHorn Steakhouse chains, has announced that it will be restricting some of its hourly workers to 29-hour work weeks in order to avoid ObamaCare's employer-mandate threshold of 50 full-time employees.

- Approximately 33% of uninsured workers earn within \$3 of the minimum wage. (Source: National Bureau of Economic Research) These low-wage workers are put at high risk of unemployment if their employers are required to offer health insurance. Workers at highest risk are more likely to be high school dropouts, minorities, and female.

- Fines to employers under the employer mandate also are imposed on workers who are not full-time employees, where a combination of employees working 120 hours per month (around 30 hours per week) count as one employee. This provision in the bill especially hurts seasonal businesses, where it is

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frequently not cost effective to provide insurance benefits to an employee who will only be with the firm for a short period of time. (Source: obamacarewatch.org)

- ObamaCare provides strong incentives for firms to avoid hiring workers from low-income households. Eligibility for subsidized insurance in the exchanges is based on household income, and firms can be penalized if one of their workers gets subsidized coverage in an exchange. Thus, firms have a strong incentive to find workers who won't qualify for subsidized coverage, which may also lead to invasions of privacy.

For instance, a restaurant might find it better to hire young waiters from upper-income neighborhoods, as opposed to low-income areas, because they would be less likely to qualify for subsidized insurance in the exchanges. ObamaCare therefore is penalizing the very households it was supposedly passed to help. (Source: obamacarewatch.org)

5. WOMEN ARE MORE LIKELY TO LOSE EMPLOYER-SPONSORED INSURANCE THAN MEN

- The Congressional Budget Office estimates that ObamaCare will cause eight million people to lose the employer-sponsored coverage they have today. Because women may work inside the home taking care of their children, or because they may have a job which doesn't provide benefits, they are more likely to be covered as a dependent (23% for women versus 14% for men). This means a woman is much more vulnerable to losing her coverage if she becomes widowed, divorced or her spouse loses his job.

- Benefits experts are warning that the cost of ObamaCare is encouraging employers to drop spousal coverage to hold their skyrocketing healthcare costs down. The employer could also raise dependent-coverage rates to unaffordable levels. The Wall Street Journal reports that the people being dropped from employer sponsored plans "tend to be women," a trend which will accelerate once ObamaCare exchanges are open in 2014.

6. MARRIAGE PENALTY #1: MARRIED WOMEN ARE TAXED MORE THAN SINGLE WOMEN

- Economists point out that one of the biggest tax hikes in the law affects the portion of payroll taxes used to fund the Medicare Hospital Insurance Trust Fund. In 2013, ObamaCare increased the Medicare HITF payroll tax from 2.9 percent to 3.8 percent on wages higher than \$200,000 for individuals and \$250,000 for couples - increasing federal revenue by an eye-watering \$317.7 billion.

Example: A single man and a single woman each earn a salary below the individual threshold. If those two people marry, they could easily break the threshold and owe thousands in additional taxes.

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7. MARRIAGE PENALTY #2: WOMEN WHO WANT TO MARRY COULD LOSE EXTRA HELP TO BUY INSURANCE

- ObamaCare links taxpayer subsidies to the federal poverty guidelines, so couples may find that marriage means their health insurance will cost more. Government subsidies shrink, increasing premiums, as income rises.
- Example: A man and a woman can each make \$45,960 per year (400 percent of FPL) and still qualify for government subsidies. If they marry, and their combined income is \$91,920 per year, then they lose the government subsidy.
- Example: A single mother who earns \$46,530 per year (300 percent of FPL) with a child gets a subsidy to buy health insurance. If the mother marries the child's father, who earns a \$45,960 per year salary (400 percent of FPL), then the family no longer qualifies for the subsidy help. This is true even though the mother and the father each qualified for subsidy help as singles. The mother would be left to carry the full weight of the law's more expensive, government-mandated insurance for herself and her child.

8. WOMEN WILL SEE PREMIUMS SKYROCKET FOR THEIR YOUNG ADULT CHILDREN

- ObamaCare allows young adults to stay on their parents' health insurance plan until the age of 26. But what will these young people do when they turn 27? A study published by the American Academy of Actuaries found ObamaCare greatly increases the cost to buy insurance in the individual market.
- Young people between the ages of 27 and 39 will be particularly hard hit: A single adult making approximately \$25,000 per year will face a 42 percent premium hike.

9. FEMALE MEDICAID PATIENTS ARE NOT GUARANTEED ACCESS TO HEALTHCARE

- Two-thirds of all adult Medicaid patients are women, but ObamaCare does not ensure female patients access to high quality medical care for themselves or their children. One struggling mother told the Wall Street Journal, "You feel so helpless thinking, something's wrong with this child and I can't even get her into a doctor."
- A survey found that one-third of physicians nationwide were unwilling to accept new Medicaid patients. (Source: Sandra Decker, Health Affairs)
- A May 2013 report by the U.S. Congress states that "Medicaid, a program run by bureaucrats at multiple levels of government, has been on the GAO's high risk program list for years. The program wastes more than \$30 billion per year on improper payments draining scarce resources from patient care. Given the program's shared funding structure, patient care improvements get lost in the tug-of-war

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between federal bureaucrats and state politicians." They conclude that some patient outcomes in the Medicaid program are even worse than those for the uninsured.

10. WOMEN AND THEIR FAMILIES ARE GOING TO BE TAXED INTO SUBMISSION

If you're a high earner with investment income, you can look forward to getting hit with two new taxes.

- The Medicare hospital tax **has added a .9% payroll tax** for individual incomes over \$200,000 and joint incomes over \$250,000. There is no way an employer would know about a spouse's income or that a couple was going to be over the threshold, so if the 0.9% wasn't already withheld through payroll, tax time will be extra painful. (Taxes are paid on the any income over the limit.)
- Taxes on investment income will be increased by **an additional 3.8%** starting in tax year 2103 - high earners (individual incomes over \$200,000, joint incomes over \$250,000). This tax is based on your modified adjusted gross income, which means that the income threshold for this tax is higher than for the Medicare hospital tax hike. (One way move your total taxable income down is by contributing more to a traditional 401(k), which is pre-tax.)
- The **threshold of deductible medical expenses will increase** from 7.5% to 10%. Although most healthy people won't reach that number, those with a catastrophic illness will have less tax relief, which will proportionally hit the poor harder. (If you have high medical expenses consider an employer flexible spending account or, if self-employed, a high-deductible insurance plan with an HSA which will provide tax deductions for your medical expenses.)
- Until now, flexible spending accounts (FSAs) have had no limit (although many plans have had their own limits) on how much pretax money you could put away to spend for such things as childcare and medical expenses. However, starting in 2013, **only the first \$2,500 in these accounts will be free from tax.**

Further reading:

Wall Street Journal: *Exempting Congress From ObamaCare* (tinyurl.com/d4zpfqq)

Betsy McCaughey, PhD: betsymccaughey.com

Obama Watch: obamacarewatch.org