

# The Implications of the Evolving US Healthcare Legislation and Recent Tax Bill for survivors of IPV.

## US HEALTHCARE LEGISLATION

**Background:** There have been many proposed changes to health care over the past year. This document describes current laws. Additionally, it tracks new proposals and their provisions for Intimate Partner Violence (IPV). This document is important to health care providers addressing IPV and domestic violence (DV) agencies, because it can be used to support survivors in better understanding the Affordable Care Act's specific provisions related to IPV.

**General Overview of Patient Protection and Affordable Care Act:** The Patient Protection and Affordable Care Act (ACA) is a set of health insurance and industry reforms. Congress and former President Obama passed and signed it in March 2010. The ACA improved access to and expanded health insurance coverage through the following, primary provisions:

- **Medicaid Expansion:** Medicaid is a federal program that provides health coverage to low-income Americans.
- **Marketplace Health Insurance:** Marketplace health insurance is a federally-run service where people can enroll in affordable health insurance, found at [healthcare.gov](http://healthcare.gov).
- **The Individual Mandate:** The individual mandate requires that most Americans get health insurance or pay a tax penalty. It encourages all Americans to take advantage of Medicaid and shopping through the insurance marketplace. The individual mandate helped make it possible for insurance companies to cover all individuals, including those who are very sick and have high health care costs. **It is important to note that the Tax Cut and Jobs Act eliminated the penalty for not having health insurance.**
- **Cost-Sharing Reduction (CSR):** CSRs, also called cost-sharing subsidies, are a form of discount that lower the amount consumers have to pay for deductibles, copayments, and coinsurance. The ACA requires insurers to give low-income consumers plans with these discounts. In return, the federal government reimburses these costs.
- **Prohibiting pre-existing condition exclusion:** The ACA also prohibits insurance companies from denying coverage or raising insurance premiums for people with "preexisting conditions." Before the ACA, insurance companies were free to deny or raise coverage for individuals with a wide range of medical conditions.

Recent statistics show that through Medicaid expansion, the health insurance marketplace, and plans offered by employers, 17 million more people have health insurance because of the ACA.<sup>1</sup>

### **ACA provisions for DV survivors**

The ACA includes specific provisions for DV survivors:

- **Prohibiting pre-existing condition exclusion based on DV history:** Some insurance companies previously denied or increased the price of coverage for survivors. The ACA prohibits discrimination based on all “preexisting conditions” including a history of DV.
- **Special Enrollment Period (SEP):** Most people seeking Marketplace health insurance must enroll during the annual Open Enrollment Period. Some people in qualifying circumstances may enroll at any time during the year, referred to as the [Special Enrollment Period](#). One of those qualifying circumstances include DV.
- **Insurance coverage, not tied to abusive partner:** People experiencing DV who are still married but living separately from their spouse may get affordable health insurance based on their income alone. The IRS allows [survivors to file their taxes separately](#) whereas normally married couples file jointly.
- **Hardship exemption:** The ACA instituted a tax penalty for individuals who do not get health insurance. The new tax bill has repealed this provision, but, it will stay in effect for the rest of 2018. The ACA provided a [hardship exemption](#) from this tax penalty to people in special circumstances, including those experiencing DV.
- **Screenings and counseling:** The ACA requires all healthcare plans to cover preventative health services, which includes screening and counseling for DV. This does not require that providers offer these services, but those that do must be reimbursed.

**ACA Replacement Proposals:** The Kaiser Family Foundation lists at least 13 replacements and/or repeals of the ACA proposed from 2015 to 2017. These proposals contained changes to mandates and cost-sharing reductions, insurance markets, pre-existing condition exclusions, Medicaid expansion, Federal Medicaid Funding, abortion services, and preventative benefits. None of these proposals were passed. [Read more about and compare those proposals here](#). **However, the Tax Cuts and Jobs Act has changed the current ACA by eliminating the penalty for the individual mandate.** This change will not go into effect until 2019 but will likely have an impact on the perceived or actual feasibility of the ACA insurance mandates.

## **TAX CUT AND JOBS ACT**

The Tax Cut and Jobs Act of 2017 eliminates the penalty for the Affordable Care Act (ACA) individual mandate. The individual mandate is a primary component of the ACA that requires most individuals to obtain health insurance coverage. Those who did not obtain health insurance would receive a tax penalty. The individual mandate supports a health insurance market that offers affordable coverage to all regardless of health status.

The individual mandate is still currently in place, however will be effectively eliminated beginning in 2019. The ACA also prohibits insurance companies from denying coverage or raising insurance premiums for people with “preexisting conditions”, such as asthma, diabetes, cancer and even an abuse history, like they once were able to.

The individual mandate ensured that people with varying levels of health care needs and costs would “buy into” health insurance. Without this mandate, some individuals, particularly those with fewer health care needs, may opt out of obtaining health insurance. As people leave the health insurance marketplace, premiums will increase, making health insurance less affordable for those who want or need to maintain their coverage.

In addition to elimination of the individual mandate, the Tax Cut and Jobs Act will increase wealth disparity, which is associated with worse health outcomes and domestic violence. In the next decade, those who make \$40,000 to \$50,000 will pay \$5.3 billion **more** in taxes than usual, and those who make \$1 million or more would pay \$5.3 billion **less**.

**Some individuals are exempt from the individual mandate and do not receive a penalty for failing to obtain health insurance coverage:**

- Individuals who can't find coverage that costs less than 8% of their income.
- those whose income is too low to file a tax return.
- Those for whom purchasing coverage will cause “unmanageable financial burden”.
- Those who object to coverage for religious reasons.
- Unauthorized immigrants, prisoners, and American Indian tribe members.
- Survivors of domestic violence.