



“No Taxpayer Funding for Abortion Act” (HR 3)

Testimony submitted by

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Subcommittee on Select Revenue Measures**

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Members of Ways and Means Subcommittee on Select Revenue Measures: we are honored to submit this testimony on behalf of the National Partnership for Women & Families and the women and families we represent.

The National Partnership for Women & Families is a nonprofit, nonpartisan 501(c)(3) organization located in Washington, D.C. We have worked tirelessly for the last forty years to expand access to quality, affordable health care for all Americans that includes comprehensive reproductive health services; to eliminate discrimination in the workplace; and to enable women to meet the dual demands of work and family. The National Partnership vehemently opposes H.R. 3 (as introduced and as modified by committee), the deceptively entitled “No Taxpayer Funding for Abortion Act” and we urge Congress to reject this legislation.

Supporters of H.R. 3 claim that this bill simply seeks to permanently ban federal funding of abortion. But those claims are blatantly misleading. This radical proposal represents an extreme attack on abortion access that goes well beyond codifying the unjust and unacceptable restrictions on federal funding of abortion care that have long burdened women who rely upon the federal government for their health care. H.R. 3 also threatens the availability of abortion coverage in the entire private health insurance market by banning private insurance coverage of abortion in the health care exchanges and by increasing taxes and costs on individuals and small businesses that want to keep the health plans they already have that include abortion coverage. Congress should reject H.R. 3 because it infringes on the health insurance choices of *all* women.

Threatens the Availability of Abortion Coverage in Private Insurance Market

Today, a majority of private health plans offer coverage that includes abortion care. The restrictions imposed on private plans selling coverage in the health care exchanges combined with the tax penalties applied to individuals and small businesses purchasing plans that include abortion coverage mean that H.R. 3 ultimately threatens the availability of abortion coverage in the entire private insurance market.

H.R. 3 bans any federal expenditure to private health plans purchased through the health care exchanges that include abortion coverage. This means that low and moderate income individuals and families eligible for premium assistance to purchase health plans through the state exchanges would be unable to select private plans that include abortion care. Because the majority of consumers purchasing plans in the new exchanges would be eligible for premium assistance, private health plans would be forced to drop abortion coverage in plans sold through the exchanges – effectively banning abortion coverage in the health care exchanges for all women. Women and small businesses that currently have policies that include abortion coverage would lose coverage they already have. Moreover, each year, more Americans and small businesses are expected to use the exchanges because the health coverage they offer should be far more affordable. Over time, the size of employers eligible to participate is expected to grow. The significant number of consumers that would be impacted by this provision now and in the future gives insurers every incentive to drop abortion coverage that is widely available in private plans

today in order to standardize insurance products. Therefore, H.R. 3 threatens the availability of abortion coverage even in private plans sold outside the exchanges.

Congress extensively debated and rejected a similar proposal – embodied in an amendment authored by former Congressman Bart Stupak – during consideration of health care reform. The Patient Protection and Affordable Care Act (ACA) ultimately included a provision that requires insurers choosing to offer plans that include abortion coverage to adhere to stringent accounting procedures to segregate federal funds from private dollars used to cover abortion care. President Obama subsequently issued an Executive Order to ensure compliance with this provision. The National Partnership strongly opposes this provision in ACA but we make the point here to emphasize that there is widespread agreement that ACA already clearly prohibits federal funds from being used to pay for abortion coverage. To claim that further restrictions are needed is a disingenuous way to promote an extreme attack on access to abortion care.

H.R. 3 also could increase taxes and costs on millions of individuals and small businesses that wish to keep the insurance plans they currently have. The bill takes away tax credits for small businesses who wish to continue to offer their employees private health plans that include coverage of abortion care. The bill would prevent small businesses that want to continue to offer comprehensive health coverage from taking advantage of the Small Business Health Tax Credit, enacted as part of the Affordable Care Act, if their plans included abortion coverage. This tax credit for small businesses will be worth up to 50 percent of premium costs in 2014. H.R. 3 would also increase taxes on certain workers who lose their jobs due to outsourcing. Under current law, workers who lose their jobs because of outsourcing are eligible for a Health Coverage Tax Credit paying 65 percent of the cost of health insurance coverage. Under H.R. 3, health plans that include abortion coverage would be ineligible for this credit which would increase health costs for workers choosing these plans. Moreover, H.R. 3 would prohibit women from being able to use tax preferred savings accounts – flexible spending or health savings accounts – to cover the expenses of an abortion, no matter what the situation. Women who are facing medical issues that require them to terminate a pregnancy, for example, would face the added burden of having to pay for abortion expenses that could climb over \$10,000 and having no tax relief that would be available for other medical expenses.

These tax penalties force consumers to face significantly higher taxes and costs or drop plans that they already have that include abortion coverage. If consumers can no longer afford health plans that include abortion coverage, health insurers will eventually eliminate these plans from the private insurance marketplace.

H.R. 3 impedes the ability of women and families to choose private health plans that cover their health care needs. The dual impact of banning abortion coverage in state health-insurance exchanges and of imposing tax penalties for purchasing plans that include abortion coverage jeopardizes the existence of health insurance coverage of abortion care in the entire private health insurance market.

Makes Unacceptable Federal Restrictions on Abortion Coverage Permanent

H.R. 3 would codify existing restrictions on federal funding for abortion that prohibit abortion coverage in health insurance provided by the government, with few exceptions. These include women covered through Medicaid, women serving in the military and dependents of military personnel, women receiving veteran's benefits, women serving in the Peace Corps, women covered through the Indian Health Services, federal employees, and women in federal correctional facilities. The bill would also reinstate a ban on the District of Columbia, lifted in 2009, that prohibited DC from using its own funds to pay for abortion care.

The National Partnership remains adamantly opposed to restrictions on abortion coverage because they threaten women's health by making it harder to obtain abortion care. They are especially burdensome for low-income women who do not have the funds to pay for care that is not covered by their health insurance. In some instances, these restrictions eliminate access to abortion for women even if they use their own funds.

Conclusion

The National Partnership for Women & Families urges Congress to reject H.R. 3, the "No Taxpayer funding of Abortion Act." The bill goes well beyond codifying the unjust restrictions on access to abortion care that have long burdened women who depend upon the federal government for their care. In seeking to impose sweeping restrictions on all forms of government spending that might possibly be linked to the provision of abortion care H.R. 3 takes away health coverage women already have and threatens to end all insurance coverage for abortion – regardless of whether federal funds are used.