



# LGBT Communities and the Affordable Care Act

## Findings from a National Survey

By Laura E. Durso, Kellan Baker, and Andrew Cray | October 10, 2013

Implementing the Affordable Care Act requires efforts from a variety of stakeholders to ensure that the benefits of the law reach everyone who needs them. This is particularly the case for members of historically marginalized and disadvantaged populations, such as the lesbian, gay, bisexual, and transgender, or LGBT, population.

Research shows that experiences of discrimination—from overt acts such as being fired from a job to the stress associated with concealing one's LGBT identity out of fear of rejection—correlate with both physical and mental health disparities between LGBT and non-LGBT people.<sup>1</sup> LGBT people are also more likely than the general population to lack health insurance coverage, due in part to some LGBT people being unable to include their same-sex partners on employer-based insurance plans.<sup>2</sup> And because most health care providers do not receive training on working with LGBT patients, many LGBT individuals and their families face barriers to quality health care such as refusals of care, substandard care, lack of access to appropriate preventive screenings, inequitable policies and practices, and exclusion from health outreach or education efforts.

The Affordable Care Act presents an unprecedented opportunity to address these disparities and improve the well-being and economic security of LGBT communities by promoting access to affordable, comprehensive health insurance coverage. As a result of the Affordable Care Act, millions of LGBT people and their families will experience improvements in the quality of coverage they have—such as LGBT-inclusive anti-discrimination protections—or will have access to health insurance coverage for the first time.

To ensure that these individuals are able to take advantage of their new coverage options under the Affordable Care Act, the Center for American Progress launched the LGBT State Exchanges Project in January 2012. The project works on both the state and federal levels to ensure that:

1. LGBT people and their families have equal access to coverage through the new Health Insurance Marketplaces in every state.
2. Marketplaces use education, outreach, and enrollment strategies that are culturally competent and relevant for LGBT communities.
3. Marketplaces collect confidential demographic information about sexual orientation and gender identity, and use it to better serve LGBT communities.
4. All states expand their Medicaid programs as required by the Affordable Care Act.

Underpinning the project's work is awareness that the benefits of the Affordable Care Act for LGBT communities will not be realized if LGBT individuals do not know about their new coverage options or do not have the assistance they need to enroll in coverage. In order to better understand how to help LGBT individuals connect with coverage, the project commissioned a study in May 2013 to explore how LGBT people view and engage with the health insurance market. This issue brief describes the study's major findings and provides an overview of recommendations for how enrollment personnel and consumer-assistance entities can best serve LGBT individuals and their families.

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## Income and insurance coverage

As anticipated, the data from the study indicate that LGBT people with incomes at or below 400 percent of the federal poverty level, or FPL—the segment of the population sampled for this study—stand to benefit significantly from provisions of the Affordable Care Act that expand and subsidize coverage for the uninsured. In particular, our study found a substantial percentage of respondents with very low incomes: 41 percent of the sample reported incomes at or below 139 percent of the FPL, with another 16 percent of the sample reporting incomes between 139 percent and 200 percent of the FPL. This is one-and-a-half times the rate reported in a sample from a similar survey conducted by Enroll America in December 2012, where 28 percent of respondents reported incomes at or below 139 percent of the FPL.<sup>3</sup> These findings are consistent with earlier research demonstrating that LGB people, transgender people, and same-sex couples are more likely to live in poverty than their counterparts among the general population.<sup>4</sup>

## One in three LGBT respondents lack insurance coverage

Consistent with previous research, one in three LGBT people in the survey was uninsured, including 34 percent of gay men, 31 percent of lesbians, and 29 percent of bisexual people.<sup>5</sup> Two-thirds of the uninsured had been without coverage for more than two years, and nearly half had never before shopped for health insurance. Of particular concern is that 48 percent of the uninsured live in southern states that are not expanding Medicaid and where state governments are actively opposing the implementation of the Affordable Care Act.

Nearly 4 in 10 uninsured respondents carried medical debt, and 44 percent of all respondents reported putting off medical care because they could not afford it. That number rises to 60 percent among the uninsured and 58 percent among those in the lowest income bracket (under 139 percent of the FPL).

Among respondents with insurance, the sample showed a diversity of coverage types. Notably, 43 percent had coverage through their employer, compared to 58 percent among the general population in the Enroll America sample.<sup>6</sup> Another 22 percent reported coverage through Medicaid, which is greater than the figure of 14 percent among the general population. Eighteen percent reported being covered through Medicare, 9 percent were on a parent's plan, and 7 percent had purchased coverage on the individual market.

## LGBT respondents value insurance but have had negative experiences

When asked to describe their view of health insurance, 9 in 10 participants described health insurance coverage as either very important (18 percent) or as a necessity that they would not give up (73 percent). Despite this strong perception of the value of health insurance, the terms that uninsured respondents used most frequently to describe the process of looking for coverage were “stressed” (48 percent), “frustrated” (42 percent), “overwhelmed” (36 percent), “worried” (26 percent), “skeptical of information” (21 percent), and “pessimistic” (18 percent).

Seventy-two percent of gay, lesbian, or bisexual people who had tried to find insurance coverage for a same-sex partner through their employer reported experiencing discrimination during the process. Furthermore, as described below, transgender focus-group participants reported overwhelmingly negative experiences with health insurance coverage, particularly denials of coverage on the basis of pre-existing conditions and the prevalence of transgender-specific insurance exclusions that refuse them the health care services they need.

## Lack of awareness and skepticism about new insurance options

Although the majority of respondents had heard about the Affordable Care Act's individual mandate provision (65 percent), far fewer knew about the new affordable plan options that will satisfy the mandate (32 percent). This disconnect may lead to a belief that the law is requiring individuals to purchase something they cannot afford—a concern that may be particularly salient for LGBT people who are uninsured and carrying medical debt. Those least aware of the new options were uninsured 18- to 34-year-olds (20 percent of whom knew about the new options), people with a high school degree or less (26 percent), low-income people (27 percent), and those in poverty (28 percent).

Even after hearing about the tax credits and subsidies that will help make coverage affordable under the Affordable Care Act, 63 percent of respondents did not believe they would be able to find a plan they can afford. This skepticism is a significant hurdle that will need to be overcome in order to engage LGBT people in the enrollment process and help them access appropriate coverage.

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### Messages and motivators:

#### What LGBT people need to hear about coverage

LGBT people are not unique in their skepticism regarding the affordability of new plans and in the questions they have about new coverage options. As in the general population survey by Enroll America, LGBT respondents were motivated to learn more about their coverage options by three main concerns:

- Financial security, such as not worrying about medical bills or bankruptcy if they or someone in their family gets sick
- Finding a plan that fits their budget
- Finding a plan that covers the care they need

Based on our survey findings, the top four specific messages that LGBT people need to hear about their coverage options are:

- Plans will cover a range of essential benefits such as doctor visits, hospitalizations, reproductive health, emergency-room care, and prescriptions.
- They cannot be denied coverage based on pre-existing conditions.
- They may be able to get financial help to pay for a health insurance plan, based on household size and income.
- They may be able to get family coverage that is inclusive of same-sex partners.

In addition, when asked what would motivate them to seek out new insurance options, approximately one-quarter of respondents (24 percent) said that a major reason would be learning that plans cannot discriminate against them in benefits or costs based on their sexual orientation or gender identity.

Taken together, these results suggest that enrollment outreach to the LGBT community must speak broadly to concerns that all uninsured or underinsured people may have about the scope of coverage options available and their rights under the law, while simultaneously ensuring that consumers are informed about new protections that speak directly to the history of exclusion and discrimination that LGBT Americans have experienced in health coverage.

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### Navigating the system: Seeking assistance with new insurance options

As our survey findings confirm, many LGBT people have historically had negative interactions with the health care system, and nearly half of respondents had never before shopped for health insurance. Not surprisingly, a majority of respondents (64 percent) wanted help figuring out what kind of financial assistance they could receive, and 60 percent wanted help finding the plan that best meets their needs.

LGBT community members will be looking to both state and federal workers to assist them, along with representatives from insurance companies, health care providers, state Medicaid offices, and family members and friends. Of significance, nearly 7 in 10 respondents (68 percent) reported that anyone who helps them make determinations about their coverage understands LGBT issues as they relate to insurance, including concerns about benefit design for transgender people and coverage options for same-sex couples and their children.

## Spotlight on transgender respondents

During the focus-group phase of the present study, participants in the LGB groups reported feelings of skepticism and confusion that are comparable to those of the general population. In contrast, the history of profound challenges that many transgender people have encountered when trying to get the insurance and health care they need means that transgender respondents overwhelmingly characterized “insurance” as synonymous with “exclusions.” In general, transgender focus-group participants did not believe that the insurance reforms introduced by the Affordable Care Act will mean that transgender people will be able to find plans that meet their needs through the Marketplaces. As one participant from Denver noted when presented with a previously well-tested description of new coverage options,<sup>7</sup> “I think it’s one of those ‘too good to be true’-type plans.”

Outreach to the transgender community thus needs to take into account the context in which transgender people approach health care. For transgender people, health care—and, by extension, health insurance coverage—is not simply about having protection in case of a future illness or emergency. Rather, it is central to survival and to their ability to live authentic lives. Transgender focus-group partici-

pants described five questions about new insurance options that are closely tied to their identities and needs as transgender people:

- Do plans cover transition-related care?
- What coverage exclusions exist?
- Will transgender people be able to get coverage for gender-specific services such as Pap tests, mammograms, and prostate exams?
- Is mental health care covered?
- Is there a network of providers competent in serving transgender people?

Among transgender participants, the message that Marketplace plans will offer “quality care” did not signal that coverage would be inclusive of their needs.

Transgender participants further reported that they would be unlikely to engage with the Marketplaces if they experience discrimination when trying to get help with application or enrollment. Thus, outreach to this community must speak directly to concerns about transgender-specific exclusions and the scope of coverage that different plans provide, and consumer-assistance personnel must be prepared to respectfully work with transgender people to help them understand and navigate their coverage options.

“I’m considered to have a preexisting condition. It’s called being trans[gender]. And that’s been my experience is ... if I ever [did] try to start up with a new plan, it would disqualify me, I think.”  
– Denver participant

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## Recommendations and conclusions

The Affordable Care Act has extraordinary potential to change the lives of millions of people.<sup>8</sup> Connecting LGBT people with their new coverage options, however, means carefully crafting messages that can overcome the awareness gap about these new options and address the skepticism and confusion that so many LGBT people feel about the law.

With regard to affordability, LGBT participants responded favorably to the message that “financial help may be available on a sliding scale, based on how much money you make.” After hearing this message, 72 percent of LGBT respondents wanted to learn more about their options. Moreover, when LGBT people were shown an example insurance premium based on their personal income, respondents rated the premium’s affordability at an average of 6 on a scale of 1 to 10 (10 being “very affordable”), with people in the lowest income brackets rating their example premiums as being even more affordable. (The average affordability rating for respondents at or below 139 percent of the FPL was 8.5.)

When discussing coverage options, the Marketplaces and consumer-assistance personnel must be conversant in the specific concerns of LGBT people, particularly transgender people. Based on our findings, LGBT people have similar concerns to their non-LGBT counterparts—such as affordability and extent of coverage—but they also have unique needs related to family composition, experiences of discrimination, and concerns about coverage exclusions. Marketplaces should be able to clarify what family coverage options may be available for LGBT people—particularly same-sex couples and their children—and should explicitly note that LGBT people are protected from discrimination in all Marketplaces, no matter the state in which they reside.

## Communication that works

The combined findings of the survey and focus groups conducted with LGBT participants bring to light many important considerations regarding how to communicate the financial assistance and plan offerings that will be available through the Health Insurance Marketplaces. The following are a few examples of messaging that resonates with LGBT community members:

**Affordability:** “Financial help may be available on a sliding scale based on how much money you make.”

**Pre-existing conditions:** “If you have a pre-existing condition, insurance plans cannot deny you coverage.”

**Family coverage:** “If you are in a same-sex relationship, you may be able to get family coverage for yourself and your partner.”

Note: Since the survey was completed, the Department of Health and Human Services has clarified that same-sex spouses may apply together

for financial help, and they may be able to purchase family coverage together. Individuals in a same-sex civil union or domestic partnership may also be able to get coverage as a family, depending on state rules.

**Discrimination protections:** “Insurance companies cannot discriminate on costs or benefits because of sexual orientation or gender identity.”

**Transgender inclusion:** “Insurance plans cannot discriminate in benefits based on gender identity.”

Note: According to federal regulations, plans sold through the Marketplaces may not employ benefit designs or coverage exclusions that restrict the availability or scope of coverage on the basis of gender identity or health condition, among other protected bases. Regulators in several states have interpreted gender-identity protections in insurance to mean that transgender people have the right to expect that the services they need will be covered, as long as the services are covered for nontransgender subscribers on the same plan.<sup>9</sup>

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## Methodology and respondent demographics

In the present survey, participants were asked more than 100 questions relating to health insurance coverage, awareness of the Affordable Care Act, and expectations about how the law will affect them. The questionnaire was fielded by PerryUndem Research and Communication,\* using the Knowledge Networks panel, which uses probability-based telephone and Internet-based sampling methods to allow researchers to ask questions of a nationally representative sample.<sup>10</sup> The survey was conducted in June to July 2013, and was completed by 867 respondents who identified themselves as LGBT. As was done in a similar survey of the general population conducted by Enroll America in December 2012,<sup>11</sup> participants were selected primarily on the basis of their eligibility for receiving tax credits under the Affordable Care Act, meaning that their incomes and household size put them at or below 400 percent of the FPL.

Prior to the start of the quantitative study, eight focus groups were convened to gain additional insights into the experiences of LGBT people in the health care context and inform the national survey. Participants were adults ages 18 to 64 living in Philadelphia, Denver, Los Angeles, and Miami, with four groups of LGB people and four groups of transgender people. Most participants were uninsured and at or below 400 percent of the FPL. In our study, 52 percent of respondents identified as female, 45 percent identified as male, and 3 percent used another identifier to indicate their gender. In total, 9 percent of the sample reported being transgender. With regard to sexual orientation, 46 percent of respondents identified as bisexual, 29 percent as gay, and 18 percent as lesbian. These percentages mirror the segments of the sexual minority population identified through large-scale national surveys, in which bisexual respondents outnumber gay and lesbian respondents by roughly 2-to-1.<sup>12</sup>

The racial and ethnic composition of respondents was 53 percent white, non-Hispanic; 26 percent Hispanic; 14 percent black or African American; and 8 percent who identified themselves as multiracial or “other.” Forty-six percent of participants were not in a romantic relationship, while 24 percent reported being in a legally recognized relationship and 20 percent in a committed partnership without any legal recognition. The vast majority of participants (80 percent) did not have a college degree, with nearly half of the sample having a high school degree or less (47 percent).

Our sample included a slightly higher percentage of 18- to 29- year olds (34 percent) than the Enroll America sample, with approximately one-third of the current sample between the ages of 30 and 44 (29 percent), and nearly 4 in 10 between the ages of 45 and 64 (37 percent).

*\*Correction, October 11, 2013: The original version of this issue brief omitted the name of the firm that fielded the questionnaire. The firm is PerryUndem Research and Communication.*

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## Endnotes

- 1 Institute of Medicine, "The Health of Lesbian, Gay, Bisexual, and Transgender People: Building a Foundation for Better Understanding" (2011), available at <http://www.iom.edu/Reports/2011/The-Health-of-Lesbian-Gay-Bisexual-and-Transgender-People.aspx>; David J. Lick, Laura E. Durso, and Kerri L. Johnson, "Minority Stress and Physical Health Among Sexual Minorities," *Perspectives on Psychological Science* 8 (5) (2013): 521–548; Ilan H. Meyer, "Prejudice, Social Stress, and Mental Health in Lesbian, Gay, and Bisexual Populations: Conceptual Issues and Research Evidence," *Psychological Bulletin* 129 (5): 674–697.
- 2 Michael A. Ash and M.V. Lee Badgett, "Separate and Unequal: The Effect of Unequal Access to Employment-Based Health Insurance on Same-Sex and Unmarried Different-Sex Couples," *Contemporary Economic Policy* 24 (4) (2006), available at <http://williamsinstitute.law.ucla.edu/wp-content/uploads/Badgett-Ash-HealthInsuranceInequality-Oct-2006.pdf>; Agency for Healthcare Research and Quality, "Lesbian, Gay, Bisexual, and Transgender Populations: Selected Findings From the 2011 National Healthcare Quality and Dispar" (2011), available at <http://www.ahrq.gov/research/findings/nhqrdr/nhqrdr11/lgbt.html>; Institute of Medicine, "The Health of Lesbian, Gay, Bisexual, and Transgender People."
- 3 Tresa Udem and Michael Perry, "Informing Enroll America's Campaign: Findings from a National Study" (Washington: Enroll America, 2013). N = 1,814 adults nationwide ages 18 to 64 at or below 400 percent of the FPL.
- 4 M.V. Lee Badgett, Laura E. Durso, and Alyssa Schneebaum, "New Patterns of Poverty in the Lesbian, Gay, and Bisexual Community" (2013), available at <http://williamsinstitute.law.ucla.edu/wp-content/uploads/LGB-Poverty-Update-Jun-2013.pdf>.
- 5 Estimates for the transgender portion of the sample were not calculated due to the small sample size.
- 6 Udem and Perry, "Informing Enroll America's Campaign."
- 7 Focus-group participants were presented with the following description of new coverage options: "Starting this fall, there will be new options for you if you need insurance. Most people now have insurance through their jobs, and that will not change. But if you do not have insurance or if you lose your insurance, you will be able to find a new quality health insurance plan that fits your budget. All of the new insurance plans will have to cover doctor visits, hospitalizations, maternity care, emergency room care, and prescriptions. Also, rules have changed so that if you have a pre-existing condition, insurance plans cannot deny you coverage. You might be able to get financial help to pay for a health insurance plan and based on your income, your plan might even be low-cost or free. Finally, you will be able to find and compare different plans all on one website in side-by-side formats without the fine print. You will be able to buy and enroll in a plan on that website or get help in person."
- 8 Andrew Cray and Kellan Baker, "How the Affordable Care Act Helps the LGBT Community," Center for American Progress, May 30, 2013, available at <http://www.americanprogress.org/issues/lgbt/news/2013/05/30/64609/how-the-affordable-care-act-helps-the-lgbt-community/>.
- 9 Kellan Baker and Andrew Cray "Why Gender-Identity Nondiscrimination in Insurance Makes Sense" (2013), available at <http://www.americanprogress.org/issues/lgbt/report/2013/05/02/62214/why-gender-identity-nondiscrimination-in-insurance-makes-sense/>.
- 10 GfK, "Knowledgepanel," available at <http://www.knowledgenetworks.com/knpanel/> (last accessed October 2013).
- 11 Udem and Perry, "Informing Enroll America's Campaign."
- 12 Gary J. Gates, "How many people are gay, lesbian, bisexual, and transgender?" (2011), available at <http://williamsinstitute.law.ucla.edu/wp-content/uploads/Gates-How-Many-People-LGBT-Apr-2011.pdf>.