

The Affordable Care Act and LGBT Families: Everything You Need to Know

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President Barack Obama signed the Patient Protection and Affordable Care Act, or ACA, into law on March 23, 2010. Many Americans have already benefited from the ACA, and millions more will benefit as the law fully comes into effect. By January 1, 2014, the law's provisions will be underway, ensuring that millions of Americans will be able to afford the health care that they need.

This guide will help couples and parents who are lesbian, gay, bisexual, and transgender, or LGBT, understand how the ACA benefits LGBT people and their families. The guide provides a basic overview of the Affordable Care Act, a review of how the act helps you and your family, and an explanation of how you and your family can access affordable health insurance.

Health Insurance Marketplaces

The Affordable Care Act established online Health Insurance Marketplaces, and starting January 1, 2014, each state will offer its own Marketplace system. Some Marketplaces will be run by the state itself, some through a partnership with the federal government, while others will be run by the federal government alone.¹

The Marketplaces will act as a one-stop shop for health insurance. Every American will be able to buy insurance directly through his or her Marketplace website, hotline, or physical office and receive assistance from unbiased consumer-assistance agents called "Navigators."²

An overview of the Affordable Care Act

The ACA requires nearly all Americans to have access to affordable health insurance starting in 2014. If you cannot get insurance for yourself or your family through your employer, you will be able to buy insurance through your state's Health Insurance Marketplace. (see sidebar)

The law also requires that health insurance be made affordable for all Americans. There are several ways in which it helps make this possible:

- **Tax credits to help with insurance premiums:** Starting in 2014, if you buy health insurance through a state Health Insurance Marketplace, you will be able to automatically apply for a federal tax credit to help cover the cost of premiums—the monthly price of health insurance. If your income is less than 400 percent of the federal poverty level for your family size, you may qualify to receive either a refund on your taxes or financial assistance at the time you buy insurance coverage.³
- **Subsidies to offset cost sharing:** If your income is less than 250 percent of the federal poverty level for your family size, you may be eligible for subsidies to help with costs associated with insurance deductibles and copayments.⁴
- **Exemption from “shared responsibility payments”:** Under the ACA people who choose not to have health insurance coverage will have to pay a penalty on their federal taxes called a shared responsibility payment. For the ACA to work well, all Americans need to have health insurance, but the law will not force anyone to buy insurance that they cannot afford. Under the law no one will be required to pay more than 8 percent of his or her family's household income for health insurance. If you and your family cannot pay for insurance without facing financial hardship, you may qualify for an exemption from penalties for not having coverage.⁵ (see page 5 for more information on exemptions)

Medicaid expansion

The ACA originally expanded Medicaid to cover people who earn up to 138 percent of the federal poverty level.⁶

While many states are moving toward expanding their Medicaid eligibility for 2014, it is less clear which states will opt not to expand their program at this time. There is no final deadline for state participation in Medicaid expansion. Your state's Marketplace will have more information on Medicaid eligibility.

How the law benefits all Americans

The Affordable Care Act benefits millions of American families, including families with parents who are LGBT, in several ways:

- Many Americans will have access to affordable health insurance through tax credits and state insurance programs that lower insurance costs.⁷
- No one can max out his or her health insurance because the ACA removes annual and lifetime limits on health care coverage.⁸
- Adults and children who are sick or have pre-existing conditions cannot be denied coverage.⁹
- Everyone who buys insurance through a Marketplace will be able to compare insurance plans side by side, and coverage options will be described in plain language.
- Insurance companies cannot charge higher premiums based on a person's gender.¹⁰
- Women will have access to mammograms and cervical-cancer screenings at no extra cost because of the improvement in preventive-care coverage. Contraception will be available without a co-pay.¹¹
- Young adults will be able to stay on their parents' plans until they are 26 years old.¹²
- More low-income Americans will be covered through the expansion of Medicaid eligibility in many states.¹³
- Medicare recipients will get free preventive services and 50 percent discounts on brand-name drugs. The “donut hole” in Medicaid Part D prescription coverage—the gap between the initial coverage limit and the catastrophic-coverage threshold—will be closed.¹⁴
- Small businesses will receive tax credits for providing health insurance to their employees.¹⁵

How the law helps families with parents who are LGBT

Affordable health care

The ACA makes sure that affordable health insurance is available in every state to individuals and families who cannot afford expensive care. In general, fewer families with parents who are LGBT have health insurance than families in the general population because many employers do not offer coverage for same-sex partners or their children.¹⁶ It can be very costly for parents who are LGBT to insure their entire families. Thanks to the ACA, many more children with parents who are LGBT will be able to access the coverage that they need.

Nondiscrimination

The ACA bans Health Insurance Marketplaces and the plans sold in them from discriminating on the basis of sexual orientation and gender identity. Families with parents who are LGBT will enjoy comprehensive coverage without being discriminated against based on whom they love or what their families look like. Transgender people will also have increased access to coverage without being denied based on their gender identity or expression.¹⁷

Pre-existing conditions

The ACA prohibits insurance companies from discriminating against people with pre-existing conditions such as cancer and HIV. Before the ACA, transgender people or people living with HIV could be dropped from or denied coverage. After January 1, 2014, people living with HIV will be able to get health coverage that includes their treatment plan, and being transgender will no longer be considered a pre-existing condition.¹⁸

Ways to access affordable health insurance

Marketplaces

The Marketplaces will act as a one-stop shop for health insurance. Starting January 1, 2014, each state will offer its own Health Insurance Marketplace. Every American will be able to buy insurance directly through his or her Marketplace website, hotline, or physical office and receive assistance from unbiased consumer assistance agents called “Navigators.” In many states families with parents who are LGBT will be able to buy single-family plans. In states where inclusive family plans are not available, families with

parents who are LGBT will still be eligible for tax credits to buy plans that cover their whole family. Marketplaces will open to the public to compare plans in fall 2013, and coverage will start in 2014.

Affordable coverage

The ACA's main goal is to make quality health insurance affordable for all Americans. The ACA guarantees affordable care for all Americans in the following ways:

Medicaid

Medicaid is the state-run health insurance option for people with very low income and people with disabilities, as well as some families and children. Each state currently has different standards for Medicaid eligibility. Under the ACA, many states are expanding Medicaid eligibility to cover adults who earn up to 138 percent of the federal poverty level. Starting in the fall of 2013, you will be able to check your Medicaid eligibility through your state's Marketplace.¹⁹

Tax credits

If you or your family's income is not low enough to qualify for Medicaid but is still less than 400 percent of the federal poverty level, you may qualify for a tax credit to help you pay your health insurance premiums. Anyone who qualifies can receive the tax credit as a pre-payment or as a credit on his or her tax return. You will be able to calculate your tax credit when you apply for insurance through the Marketplace in your state.²⁰

Exemptions

Starting in 2014 the ACA will provide several exemptions from the "shared responsibility payment," the penalty owed for not providing insurance for yourself and your family. The exemptions include being a member of an Indian tribe or a health care sharing ministry or not being able to afford the minimum essential coverage, even with tax credits.²¹

Healthcare.gov

You can see your current health insurance options on the Department of Health and Human Services's website, available at <http://www.healthcare.gov>. The website includes search tools to help you find coverage choices for domestic partners and children. Follow the steps below to find out more:

1. Visit <http://finder.healthcare.gov>.
2. Answer the questions about your state of residence and what best describes your family situation and health care needs. Indicate if you need coverage for a same-sex partner and for any children.
3. Answer additional questions on the next page about your individual situation.
4. Choose one of the insurance options. Before you choose, you can learn more about every option so that you can make an informed decision about what works for you and your family. All the options are in one place so that you can compare them across several categories.

Resources

Find out more about the difficulty that parents who are LGBT and their children have accessing care and coverage. Read the Center for American Progress and Family Equality Council reports, titled “All Children Matter: How Legal and Social Inequalities Hurt LGBT Families” and “Obstacles and Opportunities: Ensuring Health and Wellness for LGBT Families.” Both are available at <http://www.children-matter.org>.

Find out more about the Family Equality Council’s work to support health care for all families at http://www.familyequality.org/get_informed/advocacy/health/.

Find out more about the Center for American Progress’s work to support equality and improved access to health care for LGBT people and families at <http://www.american-progress.org/issues/lgbt/view/>.

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Endnotes

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- 9 Department of Health and Human Services, "Patient's Bill of Rights," available at <http://www.healthcare.gov/law/features/rights/bill-of-rights/index.html> (last accessed May 2013).
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- 14 Department of Health and Human Services, "Medicare Drug Discounts," available at <http://www.healthcare.gov/law/features/65-older/drug-discounts/index.html> (last accessed May 2013).
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- 16 Kellan Baker and Jeff Krehely, "Changing the Game: What Health Care Reform Means for Lesbian, Gay, Bisexual, and Transgender Americans" (Washington: Center for American Progress, 2011), available at <http://www.americanprogress.org/issues/lgbt/report/2011/03/29/9200/changing-the-game/>.
- 17 Andrew Cray and Kellan Baker, "Why Gender-Identity Nondiscrimination in Insurance Makes Sense" (Washington: Center for American Progress, 2013), available at <http://www.americanprogress.org/issues/lgbt/report/2013/05/02/62214/why-gender-identity-nondiscrimination-in-insurance-makes-sense/>.
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- 19 Families USA, "About Medicaid."
- 20 "Federal Subsidies: Helping People Afford Health Care."
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