

# WebMemo



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## Obamacare: Impact on the Family

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Families have good reason to be concerned about how the Patient Protection and Affordable Care Act (PPACA) of 2010<sup>1</sup> will affect them. While the law will deliver a health insurance entitlement to millions of individuals and families, many of its provisions weaken family choice of coverage, undermine parental participation in minor children's health care decisions, penalize the decision to marry, and undercut family values in health care.

**More Families Covered but Less Family Choice.** Millions of families gain an entitlement to health insurance under the mandates on individuals and employers in PPACA. The law's creation of new affordability tax credits will ease the purchase of health insurance for middle-income Americans.

But the new credits go hand in hand with increased regulation of private health plans. Moreover, families gained nothing from PPACA that will permit them to purchase better or cheaper plans across state lines.<sup>2</sup> The new law also does nothing to increase the variety of insurance available in the market, which could include family-friendly options like health plans managed by professional associations, unions, and faith-based groups. Nor will families be able to purchase health plans that exclude coverage for services to which they ethically object or which they do not need.

**Undermining the Role of Parents.** PPACA expands several funding streams that undermine parental responsibility and authority to direct the upbringing of their children. The law lavishes federal dollars on programs like school-based health centers and a new "Personal Responsibility Educa-

tion" (PRE)<sup>3</sup> program that deny parents knowledge of sensitive services their children receive in federally funded projects.

First, PPACA creates a new \$50 million per year appropriation for school-based health centers, many of which either offer contraception on site or refer for contraception and even abortion. The law states that the recipient clinics must honor "parental consent and notification laws that are not inconsistent with Federal law."<sup>4</sup> However, the federal Medicaid and Title X (Public Health Service Act) laws stipulate that the confidentiality of teens obtaining services must be respected, nullifying any state or local parental notice or consent policies.<sup>5</sup>

Second, the new PRE program provides \$75 million per year for grants to help states reduce pregnancies and births to teenagers. Unlike the 1996 welfare reform, however, the new program does not incentivize states to reach these goals without increasing their abortion rates.

**Penalizing Marriage.** Another disturbing feature of PPACA is the fact that it imposes—across a broad range of income and age—significant financial penalties on the decision to marry.

The marriage penalty imposed by the law could exceed \$10,000 per year for certain couples.<sup>6</sup> This

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is because the affordability tax credit phases out rapidly as income rises.

Not only does this health insurance marriage penalty dissuade a younger, low-income couple from getting married—which is one of the most beneficial life decisions they can make for themselves and for their children—but it also provides older couples, some of the hardest hit by this law, with an incentive to obtain a “divorce of convenience.”

For example, a 60-year-old couple, each with an income of \$15,000 per year and purchasing insurance in the non-group market, would gain \$4,212 in tax savings if they obtained a sham divorce and bought insurance separately. A similar couple, each making \$30,000, per year would realize \$10,425 in tax savings if they divorce and cohabit rather than remain married.

**Undercutting Freedom of Conscience.** As health care reform proceeded, strong majorities of Americans supported protecting provider and insurer rights of conscience as well as limiting the use of tax funds for abortion. In March 2009, 87 percent of respondents to a national poll supported ensuring “that healthcare professionals in America are not forced to participate in procedures and practices to which they have moral objections.”<sup>7</sup> A

January 2010 Quinnipiac Survey found that 67 percent of Americans oppose public funding of abortion.<sup>8</sup>

**Conscience Protections.** PPACA does make clear that no qualified health care plan can be required to cover abortion as an “essential” benefit. It also ensures that no health care plan that participates in the state-based exchanges may discriminate against a health care facility or provider because of its unwillingness “to provide, pay for, provide coverage of, or refer for abortion.”<sup>9</sup>

The law does not, however, prevent the federal and state governments from practicing this same discrimination. An effort to add such an amendment to the bill failed in a Senate committee in September 2009. While there is an annual appropriations rider to this effect on the bill funding the Department of Health and Human Services, it lacks permanent force, and regulations to implement it were suspended by President Obama in March 2009 as a step toward its likely rescission.

**Abortion Funding.** Currently, every health care plan in the Federal Employees Health Benefits Program may not as a matter of law include coverage of elective abortion. Under PPACA, health care plans that cover elective abortion may participate in the

1. The Patient Protection and Affordable Care Act, Public Law 111-148.
2. See Robert Moffit, “The Health Care Choice Act: Eliminating Barriers to Personal Freedom and Market Competition,” Heritage Foundation *WebMemo* No. 1164, July 17, 2006, at <http://www.heritage.org/Research/Reports/2006/07/The-Health-Care-Choice-Act-Eliminating-Barriers-to-Personal-Freedom-and-Market-Competition>.
3. Patient Protection and Affordable Care Act, p. 229.
4. *Ibid.*, p. 430.
5. “Parental Consent and Notice for Contraceptives Threatens (sic) Teen Health and Constitutional Rights,” Center for Reproductive Rights, November 1, 2006, at <http://reproductiverights.org/en/document/parental-consent-and-notice-for-contraceptives-threatens-teen-health-and-constitutional-rig> (April 12, 2010).
6. Robert Rector, “The New Federal Wedding Tax: How Obamacare Would Dramatically Penalize Marriage,” Heritage Foundation *WebMemo* No. 2767, January 20, 2010, at <http://www.heritage.org/Research/Reports/2010/01/The-New-Federal-Wedding-Tax-How-Obamacare-Would-Dramatically-Penalize-Marriage>.
7. Catholic News Agency, “Most Americans Oppose Revoking Conscience Protection Rule for Medical Workers,” April 9, 2009, at [http://www.catholicnewsagency.com/news/most\\_american\\_oppose\\_revoking\\_conscience\\_protection\\_rule\\_for\\_medical\\_workers](http://www.catholicnewsagency.com/news/most_american_oppose_revoking_conscience_protection_rule_for_medical_workers) (April 8, 2010).
8. Quinnipiac University, “U.S. Voters Say Sacrifice Modesty, Rights for Security, Quinnipiac University National Poll Finds; Support for Health Reform at 34 Percent,” January 14, 2010 at <http://www.quinnipiac.edu/x1295.xml?ReleaseID=1413> (April 8, 2010).
9. William L. Saunders, “Comparison of Conscience Provisions in Health Care Reform Bill,” Federalist Society for Law and Public Policy Studies, March 18, 2010, at [http://www.fed-soc.org/publications/pubid.1801/pub\\_detail.asp](http://www.fed-soc.org/publications/pubid.1801/pub_detail.asp) (April 8, 2010).

state-based exchanges provided they require each enrollee to pay a separate premium of not less than \$12 per year for elective abortion coverage.<sup>10</sup>

*The Executive Order.* On March 24, President Obama signed an executive order that attempts to apply conscience protections and abortion funding limits to the full text of PPACA. Regardless of the order's intent, judicial rulings for the past 35 years have made it clear that public funding of elective abortions in federal programs cannot be barred without the kind of direct ban that Congress failed to include in many parts of PPACA.<sup>11</sup>

**Reason for Disappointment.** Advocates of family values in health care reform have reason to be deeply disappointed with the overall impact of PPACA. The passage of legislation that increases parental control and choice regarding health care insurance, avoids marriage penalties, guarantees conscience protections, and limits taxpayer support for controversial practices like abortion must await a future Congress.

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10. Patient Protection and Affordable Care Act, p. 53.

11. *The Wall Street Journal*, "GOP: Abortion Deal Won't Trump the Law," March 21, 2010, at <http://blogs.wsj.com/washwire/2010/03/21/gop-abortion-deal-wont-trump-the-law/tab/article> (April 8, 2010).