

Mandatory Maternity Coverage and the Affordable Care Act

Paula Downs

Ferris State University

Mandatory Maternity Coverage and the Affordable Care Act

Since the Affordable Care Act was signed in 2010, many people have analyzed the importance and impact of mandatory coverage that insurance companies must provide. Advocates of the act state that the mandatory coverage allows families to have access to healthcare benefits that previously haven't had access to. This access allows the general health to increase and improve the quality of life. On the contrary, opponents emphasize that the act actually increased the cost of healthcare due to problems during the introduction of the act. This new mandate has influenced the way our healthcare system is run and will continue to affect the how the United States moves forward with the healthcare system. Therefore, in order to have a more definite conclusion on the effects of the act and it is pertinent to analyze the different sectors that it covers. One section of the act that has not been written about thoroughly enough is the mandatory maternity coverage. Although mandatory maternity coverage under the Affordable Care Act provides significant health benefits, it also causes negative effects that are currently being overlooked.

Review of Literature

There is an assortment of articles that have addressed the correlation between fertility, access to abortion, and living conditions during early childhood development that play a significant role in the discussion on mandatory maternity coverage. The following articles analyze what has contributed to the change in fertility and how legalized abortion has affected birth rates among certain cohorts. Another key area that is discussed between both articles is the emphasis on the environments that children within certain cohorts experience and how it can affect their overall development.

John J. Donohue and Steven Levitt (2001) analyze the connection between the legalization of abortion and the decrease in crime rates. Roe v. Wade in 1973 legalized abortion; their analysis shows how 18-25 years later, crime rates dropped. This was the result of a decrease in cohort sizes that are the most likely to commit crimes. This reduction was due to the availability of abortions for women who previously did not have access to them. Women who were the most likely to take advantage of the legalized abortion would be those who, without the option, would result in an unwanted pregnancy, a single parent household, or a teenage pregnancy. It is from these environments that children are the most susceptible to factors that would negatively affect their development and, in turn, make them more likely to commit crimes sometime in their life.

Additionally, Jonathan Gruber, Phillip Levine, and Douglas Staiger use empirical evidence to argue that women who are the most likely to have abortions would have had children that would grow up in poverty or single parent households (1999). The legalization of abortion then leads to a decrease in child poverty and welfare utilization due to a reduction in children who would have grown up in vulnerable conditions.

Theory

Mandating maternity coverage under the ACA leads to an increase in moral hazard by increasing the availability of the resources to individuals who previously did not have access. Before the mandate by the ACA, only 12% of healthcare plans provided maternity coverage (Women and Health). Some of the wide variety of services that have to be covered by insurance include hospital charges for the mother and baby, prenatal vitamins, vaccines, lab tests, anesthesia, etc. (Maternity Insurance Coverage). The women who are pregnant or looking to

become pregnant will be more likely to consume these services which leads to moral hazard. The group of women who are more likely to starting using these services would be ones who could not previously afford them. These women more likely couldn't afford the services due to a low income and the high cost of the services. A welfare loss is then created due to the extra services the women consume.

Additionally, subsidizing contraception would help reduce the moral hazard and other negative affects of the mandatory maternity coverage creates. One reason this would help is because pregnancy is more expensive than contraception. Women would be more likely to take advantage of the contraception options covered by the ACA rather than have a pregnancy because of the high costs. Therefore, subsidizing contraception would help to reduce the number of births that would be born into vulnerable environment. Therefore, the contraception coverage that the ACA requires is beneficial because it helps to reduce the consequences of the maternity coverage.

Furthermore, the maternity coverage under the ACA does not cover costs that would improve the environment that children grow up in. Environments that have historically put children in vulnerable positions due to single parent homes, teenage pregnancy, and unwanted births, will not be drastically affected by the maternity coverage women in these categories receive. For instance, the Affordable Care Act does not cover child care services long after the birth. Although the child may be healthier due to the access the mother and child have to healthcare, health alone does not determine the stability and overall development of the child. Therefore, the availability of the maternity coverage increases the likelihood of a mother having a pregnancy and using the maternity services, which increase the number of children who

would be raised in unfavorable conditions. These conditions, like those mentioned in Levitt's article, are factors that contribute to the increase in crime rates from these environments.

Objections

Although some of the negative effects of the mandatory maternity coverage have been discussed previously, it is important to address the objections that many opponents of the argument have. A common concern is the relatability between the information in the Levitt paper that included data from the 1970's and 1990's and the current discussion which focuses on data starting in 2014. The different of forty years in the comparison of these two arguments does not play a significant role because the habits and motivations of individuals are still the same. The same motive women had to have abortions once they were legalized is the same motive as women using the maternity services under the ACA, the service is cheaper than it previously was.

Another objection to the argument is the comparison between the services the Affordable Care Act covers and the services that Medicaid and the Children's Health Insurance Program (CHIP) are already providing. The problem with Medicaid and CHIP is the low availability to individuals and families that are not poor enough to receive either coverage. Medicaid only covers up to 133% of the Federal Poverty Level (FPL) and the CHIP program is only covers up to 200% of the Federal Policy Level (Medicaid Eligibility). For instance, a family of four is only eligible for Medicaid if the income level is at or below \$32,319; for CHIP eligibility the income has to be at or below \$48,600 (Federal Poverty Level). The eligibility rates are extremely low and do not cover a majority of women who would need access to these resources. Women and families that have incomes slightly over these poverty levels are still

using the Affordable Care Act for insurance coverage that they could not previously afford. Furthermore, like previously stated in this paper, these health benefits provided by Medicaid and CHIP are beneficial but do not contribute to the improvement of vulnerable environments that children are living in.

Implications

Giving women access to maternity coverage before, during, and after pregnancy leads to improvement of the health of the mother and child during and after birth. This can lead to decrease in risk and complications which are crucial to the health of the child and the early stages of their development. However, it is important to analyze all the negative consequences of the mandatory coverage in order to determine if mandating maternity is the best way to improve the health of mother and babies. If the repercussions of the mandatory maternity coverage results in higher crime rates 18-25 years from now, individuals will have to determine if mandatory maternity coverage was justified. If maternity coverage under the ACA produces too many negative consequences, our health system will have to determine if there are other solutions to help minimize the negative consequences, such as increasing the subsidizing of contraception. As the health care system of the United States continues to change, specifically the ACA, it is important to analyze every segment of the healthcare system. If we look at the new changes under the ACA alone, maternal care is only one of ten benefits that have been made mandatory. If these changes aren't written and analyzed to the full extent, then some major negative consequences will be overlooked and could have ramifications.

References

- Donohue, J. J., and S. D. Levitt. "The Impact of Legalized Abortion on Crime." *The Quarterly Journal of Economics* 116.2 (2001): 379-420. Web.
- "Federal Poverty Guidelines." *Families USA*. Families USA, Feb. 2016. Web. 11 Dec. 2016.
- Gruber, J., P. Levine, and D. Staiger. "Abortion Legalization and Child Living Circumstances: Who Is the "Marginal Child"?" *The Quarterly Journal of Economics* 114.1 (1999): 263-91. Web.
- "Maternity Insurance Coverage." *EHealth Insurance*. N.p., n.d. Web. 12 Dec. 2016.
- "Medicaid Eligibility." *Medicaid.gov*. N.p., n.d. Web. 12 Dec. 2016.
- "CHIP Eligibility." *Medicaid.gov*. N.p., n.d. Web. 12 Dec. 2016.
- "Women and the Health Care Law in the United States." *National Women's Law Center*. N.p., 16 May 2013. Web. 4 Dec. 2016.