

STOP SMITH!



FACT SHEET ON CHRIS SMITH LEGISLATION

SUMMARY: The Smith bill is an unprecedented attempt to take comprehensive private health insurance coverage away from American women; it would take away existing protections for women with life-threatening pregnancies; and it will impose new taxes on women, men and families.

The new House leadership took control of Congress on a promise to create jobs, but instead, one of their first acts is to take health care benefits away from Americans. In fact, Representative Chris Smith's (R-NJ) misleadingly named bill, "No Taxpayer Funding for Abortion" (H.R. 3), is an aggressive attempt to take away the comprehensive private health insurance coverage that millions of women have today.

Ultimately, Congressman Smith's bill could end private health insurance coverage for virtually all abortions, including private insurance coverage that Americans pay for entirely with their own money. The Smith bill would even prevent women from getting comprehensive coverage in some cases when the women's health is in danger.

According to a November 2010 Hart Research poll, the vast majority of American voters oppose a key provision of this bill: 74 percent of voters disagree with making women who choose to purchase private health insurance with their own money pay higher taxes if that includes abortion coverage. Significantly, 71 percent of voters who voted for a Republican candidate opposed this provision of the Smith bill as well.

Here are the facts:

FACT: The Smith bill will take away the private health insurance benefits women currently have, even when it is necessary to preserve their health.

- Today, a majority of private health insurance plans offer comprehensive coverage that includes abortion. The Smith bill revives the Stupak abortion ban, which would force health plans to drop comprehensive coverage — cutting off millions of women from the benefits they have today. Like Stupak, which was defeated last year, the Smith bill states that health plans cannot receive federal funds if they provide coverage for abortion (except in the limited cases of incest, rape, and when the pregnant woman's life is in danger) — even if that coverage is paid for by private funds. Health insurance industry experts have repeatedly stated that this restriction would result in private health insurance companies dropping coverage.¹
- The Smith bill marks an unprecedented restriction on individuals who pay for their own health insurance coverage — and as a result was rejected by Congress in 2010. Ultimately, the Smith bill could eliminate abortion coverage from the private health insurance market altogether — leaving millions of women — many of whom never thought they might need an abortion — from getting the coverage they need. In fact, the Smith bill does not include any possibility for women to get the coverage they need in cases when their health is in danger. As a result, a woman who has to terminate a pregnancy because of medical complications could face bankruptcy, as the costs can reach \$10,000 or more.

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EXAMPLES: Women do not plan to have abortions, but sometimes life circumstances make abortion a necessary option. Take, for instance, a woman who plans her pregnancy, only to discover she has cancer. In order to preserve her health, she needs to start chemotherapy immediately, and in order to do so, she must have an abortion. Under the Smith bill, her health insurance coverage would likely not cover this abortion to protect her health.

FACT: The Smith bill will raise taxes on millions of men, women, and families across this country because the health insurance they choose includes abortion — whether they use it or not.

- Under the Smith bill, individuals who have health insurance coverage that includes abortion will face tax penalties because they will not be able to claim existing tax deductions and credits for the cost of their health care. This includes the Health Coverage Tax Credit, which currently covers 80 percent of the cost of a health plan for certain workers who have lost their jobs due to trade with foreign countries. Under the Smith bill, those workers would not be able to claim the Health Coverage Tax Credit at all, if their health plan includes coverage of abortion.
- Under the Smith bill, certain small businesses that offer their employees comprehensive health insurance coverage will face tax penalties because they will no longer be able to claim existing deductions. In fact, under the Smith bill, certain small businesses offering employees health insurance coverage that includes abortion will no longer be able to claim the Small Business Health Tax Credit — potentially affecting up to four million small businesses.
- Under the Smith bill, Americans who are self-employed and purchase comprehensive health insurance for themselves will face higher taxes because they will no longer be able to claim a deduction for their self-employed insurance policy if that policy includes abortion coverage.

EXAMPLES: Right now, if an eligible taxpayer spends more than 7.5 percent of her adjusted gross income on medical expenses, she can deduct that part of her income on her tax return. So, if an individual with cancer spends more than 7.5 percent of her income on medical expenses (including premiums for health insurance), she can claim this deduction and keep more of her money during her tax filing. However, under the Smith bill, if her health insurance also includes coverage of abortion, she cannot deduct the amount of the premium — thus paying higher taxes because her health plan includes abortion coverage.ⁱⁱ

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FACT: The Smith bill makes permanent existing restrictions on abortion that are unfair, and it actually makes those restrictions more severe — taking away protections for many pregnant women whose lives are in danger.

- Current law prohibits federal funding of abortion, except in limited cases: rape, incest, and endangering the life of a pregnant woman. As a result, millions of women who rely on public health insurance, such as Medicaid, and federal government employees, are unable to access comprehensive coverage, even if their health is in danger. Worse yet, the Smith bill goes even further than these unfair and unsafe restrictions.
- Under current law, some public health insurance programs are required to offer abortion coverage in cases of rape, incest, and when a pregnant woman's life is in danger. Under the Smith bill, these programs would no longer be required to cover abortion even in these extreme circumstances. For example, a pregnant woman who needs an abortion to save her life would no longer be guaranteed this public health insurance coverage.
- Under current law, hospitals are required to provide medical treatment to stabilize people in emergency situations (under the Emergency Medical Treatment and Active Labor Act). However, under the Smith bill, public hospitals could potentially refuse to provide emergency medical treatment to a woman who needs an abortion to stop life-threatening hemorrhaging.
- The original version of Smith bill put new limits on rape survivors' ability to use federal funds for abortion care by limiting the exemption to "forcible" rape. After public outrage, Rep. Smith was forced to give up efforts to redefine rape to deny women access to abortion.ⁱⁱⁱ

BOTTOM LINE: The Smith bill goes beyond any other proposed law to take private health care coverage away from women — even further than the Stupak abortion ban under health care reform. The Smith bill would take existing protections away from women with life-threatening pregnancies, and it would raise taxes on individuals who have comprehensive health insurance which includes abortion coverage.

i. Rosenbaum, Sara, et. al, "An Analysis of the Implications of the Stupak/Pitts Amendment for Coverage of Medically Indicated Abortions," George Washington University Medical Center, November 16, 2009.

ii. Internal Revenue Service, Topic 502: Medical and Dental Expenses. <http://www.irs.gov/taxtopics/tc502.html>.

iii. <http://tpmdc.talkingpointsmemo.com/2011/02/report-republicans-give-up-on-forcible-rape.php>