



Federal Funding of Abortion in the Reid Health Care Reform Bill

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Senator Harry Reid unveiled his “Patient Protection and Affordable Care Act” this week. It will be a while before we know all that he is proposing to do in the name of health care reform in his 2,000+ page bill. However, it is already clear that he intends to greatly expand the use of federal dollars to help pay for abortion in our nation. Section 1303 (a)(1)(D)(i) of his bill actually requires every health insurance exchange to have at least one plan that pays for abortion-on-demand for any reason.

Direct Funding in the Public Option

Senator Reid’s bill uses federal funds to help pay for abortion in two ways, directly and indirectly. Federal funds will pay directly for abortion through the so-called “Community Health Insurance Option,” which is the Reid bill’s name for the public option, Section 1323 (b). To help achieve this, the bill divides abortion into two categories. The first category consists of abortions related to rape, incest, or threats to the mother’s life. According to Section 1303 (a)(1)(C)(i)(III), federal funds will help pay for abortion in these instances for all people, regardless of their income level. Currently, the Hyde Amendment restricts federal money for abortions in these instances to low-income people on Medicaid.

The second category consists of abortions that are typically referred to as elective abortions. These are abortions due to other factors, like economic, personal, emotional, etc. These account for the vast majority of all abortions performed in the United States. Most Americans rightly find these abortions unacceptable, and they do not want their tax dollars to be used to pay for them.

The Reid bill allows for the public plan to pay for these abortions as well, so long as the HHS Secretary can certify that no federal dollars are used to pay for them, Section 1303 (a)(1)(C). In order to skirt this limitation, the Reid bill intends to establish a fund that will collect money to pay for elective abortions that will not qualify as federal money. The bill actually sets up a system, Section 1303 (a)(2)(C), that assesses every enrollee in the public option at least \$1 per month to pay for elective abortions.

It is clear that Senator Reid intends to pay for elective abortion in the public plan if he can find a way to do it. However, even this sleight of hand does not de-federalize the

dollars he collects. Regardless of how the United States Treasury collects the money, it is still federal money. Any funds the government receives to pay for health services in the government-run plan are automatically federal funds. Some people are trying to argue that these funds are segregated insurance premiums and therefore not federal dollars, but there are no non-federal dollars in the United States Treasury. They are all federal dollars.

Just ask these same people if they support using money in the U.S. Treasury for education vouchers to religiously-affiliated schools, and they'll argue that every penny in the Treasury is federal money, regardless of its source. Even if the federal government funds its health plan through a third party, it is still merely passing along federal dollars for the express purpose of paying for abortion. So, if the government-run health plan pays for abortions, which it certainly will do, it will be using federal funds to pay for them. Other plans in the health insurance exchange will also be allowed to assess their members to pay for elective abortions in their plans.

Direct Funding in All Health Insurance Plans

Federal funds will also help pay directly for abortions in the cases of rape, incest, or threats to the mother's life for all women in households earning up to 400% of the poverty level, or approximately \$88,000 per year for a family of four. Section 402 (c) instructs the government to limit the out-of-pocket expenses people in this range have to pay. The federal government will pay the insurance plan the difference between the actual out-of-pocket expense and the reduced amount the low-income person is required to pay. These federal subsidies for out-of-pocket expenses will apply to any health plan offered through the insurance exchanges.

Indirect Funding in All Health Insurance Plans

In addition, federal funds will pay indirectly for elective abortion through other insurance plans. While Section 1303 (a)(2)(A) of the Reid plan prohibits the direct use of tax credits and federal subsidies for abortions not related to rape, incest, or threats to the mother's life, these sources of federal funds will still help pay for elective abortions indirectly. This will be accomplished through the premium assistance tax credits and cost-sharing provisions in the bill.

Section 1401 of the Reid bill instructs the federal government to pay for a certain portion of the premiums of low-income individuals. In these instances, federal dollars will be helping to pay peoples' insurance premiums, including premiums for insurance plans that offer full abortion coverage. According to Section 1402 (c), the federal government will pay the insurance provider part of the out-of-pocket health care expenses lower income individuals incur for their health care. In both of these instances, the insurance provider must simply demonstrate that none of that federal assistance money is being used to pay for elective abortions.

While the government is not paying for elective abortion costs in these situations, it is helping to fund an insurer's overall expenses. In these instances, federal dollars will help fund the administrative and other costs of the insurer, thereby freeing up other funds available to the insurer to pay for elective abortions.

This relationship between federal dollars and private dollars is referred to as fungibility. Federal funds are being used to offset other costs, thereby freeing up non-government funds for abortion. While technically federal funds are not being used to pay for elective abortion, practically they are supporting the infrastructure so that non-federal dollars can be used to pay for elective abortion.

Essentially, the Reid bill applies the federal government's arrangement with Planned Parenthood to the entire health care industry. Currently, the federal government gives Planned Parenthood about \$300 million a year for their activities. While this money may not be used to pay for abortions except in the cases of rape, incest, or threats to the mother's life, they are used to help pay for the administrative costs and other activities of Planned Parenthood, thereby freeing up other Planned Parenthood funds to pay for more than 300,000 abortions every year.

Limiting Language Solution

Explicit restricting language is necessary to prevent the use of federal funds from paying for the massive expansion of abortion in the Reid bill. Some very good language is available in the Stupak-Pitts Amendment. The amendment states, "No funds authorized or appropriated by this act may be used to pay for any abortion or to cover any part of the costs of any health plan that includes coverage of abortion" except in cases of rape, incest, or threats to the physical life of the mother. We should even be concerned about the breadth of this language since it allows for abortion in the cases of rape and incest, but it is only repeating the current exceptions in the Hyde Amendment, and is probably as good of a restriction as can be obtained. Certainly, this must be the limit. Anything less would undoubtedly be too weak to protect most innocent human life.

Until the Reid bill includes the Stupak-Pitts Amendment, at the very least, all pro-life people should oppose its passage for the sake of millions of unborn children in our nation. The Senate should not even proceed to debate on this disastrous bill until it includes the language of the Stupak-Pitts Amendment or language even more protective of innocent, unborn human life.