

Fact Sheet: Support the Removal of Gender-Based Rate Setting in the Individual Insurance Market

Q: Why should the Health Care Task Force consider sponsoring legislation to remove gender as a basis for rate setting?

- Due to people losing their jobs and their employer-provided health insurance plans, we are seeing an increase in individuals purchasing their own health insurance. We need to make sure that rate setting in this market is fair to women and men.
- Actuarial data show younger and middle-age women are charged as much as 30%-40% more than men for the same coverage of the same age in individual health care plans.
- All Coloradans should have quality, affordable health care regardless of race, ethnicity, and gender. Colorado has a proud history of protecting consumer and civil rights.
- We need to encourage and reward **preventive medicine** and **personal responsibility** for health care and not charge women more. Especially since, over a lifetime, women cost less in claims than men.

Q: Who supports removing gender discrimination in the individual market?

- Colorado Consumer Health Initiative
- AARP
- Planned Parenthood of the Rocky Mountains
- NARAL Pro-Choice Colorado
- The Women's Lobby
- Colorado Women's Bar Association
- AAUW
- Colorado Ovarian Cancer Alliance
- Colorado Coalition Against Sexual Assault
- National Women's Law Center
- National Council of Jewish Women, Colorado Section
- COLOR
- The Freedom Fund
- Boulder Valley Women's Health Center
- Denver Women's Commission
- Colorado Religious Coalition for Reproductive Choice

Background Information on Gender Discrimination in Individual Health Insurance Plans

- There are approximately 800, 588 Coloradans without health insurance.ⁱ
- As of 2007, 18% of Colorado women had no health insurance.ⁱⁱ
- More than 130,000 Colorado women aged 19-64 received health insurance through the individual market in 2006-2007 and potentially faced greater costs than men.ⁱⁱⁱ

- Actuarial data show that while women have higher average health costs than men,^{iv} overall female and male health costs average out over the lifetime because men use more and costlier benefits as they age.
- Under current Colorado law, a woman will pay more than a man for comparable coverage even if she has less of a claims history.
- Twelve states already prohibit or restrict gender-based rating in the individual market: Washington, Oregon, Montana, North Dakota, Minnesota, Maine, Massachusetts, Vermont, New Hampshire, New Jersey, New Mexico and New York.^v
- Federal civil rights laws prohibit certain employers from charging employees different premiums for health insurance based on gender, race, and other factors in the employer-provided health insurance market. However, these non-discrimination laws do not apply to the individual insurance market in Colorado, where race and ethnicity ratings are prohibited, but gender rating is permitted. Colorado is long overdue in 2009 to prohibit gender-based discrimination in health insurance rate setting.
- Federal and state laws prohibit gender discrimination in the small and large group markets. Unless the State acts, there remains a loophole in the individual market.
- Closing this loophole still allows carriers to rate based on claims experience. If you use more, you pay more.
- Women insured through either employer-sponsored insurance or with an individual policy are more likely than men to spend more than 10% of their income on out-of-pocket costs and premiums.^{vi}
- Women are more likely to have lower incomes than men, but have more health care costs and higher out-of-pocket expenses as a share of their income. Nationally, the median earning for women aged 15 and older in 2004 was \$22,224, compared to \$32,486 for men.^{vii}
- In a recent statewide survey of Colorado women, one out of every five women aged 18-44 had no health insurance. Among these uninsured women, a full 46% of them worked full-time and more than half reported having a household income of less than \$25,000.^{viii}

ⁱ "How Many Coloradans are Uninsured? A Guide to the Estimates", February 2009, Colorado Health Institute, <http://www.coloradohealthinstitute.org/Documents/sn/UninsuredTechBrief09.pdf>

ⁱⁱ "National Report Card on Women's Health: Colorado," 2007, National Women's Law Center, <http://hrc.nwlc.org/Reports/State-Report-Card.aspx?stateID=COLORADO>

ⁱⁱⁱ "Colorado: Health Insurance Coverage of Women 19-64, states (2006-2007), U.S. (2007)," 2008, Kaiser Family Foundation, <http://www.statehealthfacts.org/profileind.jsp?ind=652&cat=3&rgn=7>

^{iv} "Nowhere to Turn: How the Individual Health Insurance Market Fails Women," October 2008, National Women's Law Center, <http://action.nwlc.org/insurance>

^v "Nowhere to Turn: How the Individual Health Insurance Market Fails Women," October 2008, National Women's Law Center, <http://action.nwlc.org/insurance>

^{vi} "Women and Health Coverage: The Affordability Gap"

^{vii} "Women and Health Coverage: The Affordability Gap," April 2007, The Commonwealth Fund and the National Women's Law Center, <http://www.nwlc.org/pdf/NWLCCommonwealthHealthInsuranceIssueBrief2007.pdf>

^{viii} Prevention First Colorado research carried out in 2007, NARAL Pro-Choice Colorado Foundation, 2009.