



HEALTH, EDUCATION, LABOR, AND PENSIONS SENATE COMMITTEE HEARING: What Women Want: Equal Benefits for Equal Premiums

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Madame Chairwoman and members of the HELP Committee, thank you for this opportunity to testify on behalf of the National Women's Law Center. The Center has long advocated for national health reform that meets women's needs, and we are all too familiar with the challenges that characterize women's everyday experiences in the current health system. Among the most damaging of these obstacles are the unfair and discriminatory practices of the health insurance industry, including gender rating, the exclusion of health care services that only women need, and pre-existing condition denials.

In 2008, the Center studied women's experiences in the individual health insurance market, where people buy coverage directly from insurance companies. We found that the individual insurance market can be an exceedingly difficult place—and sometimes even an impossible place—for women to find health coverage that meets their needs. Since then, we've found that even women who obtain group health insurance through their employer or through an association health plan are adversely affected by some of the same harmful practices that impede access to affordable coverage in the individual market. Across health insurance markets, discriminatory industry practices put fair and affordable coverage out of reach for far too many women.

Our research included an extensive analysis of gender rating, the practice under which insurers charge men and women different premiums for coverage. We found that in the individual insurance market, women can pay dearly because of this rampant practice. At age 25, for instance, women are charged as much as 45% more than men for coverage, and at age 40 they are charged as much as 48% more than men. Even with maternity care excluded, the variations in the differentials totally undermine any claim that these differences are actuarially driven.

For instance, we found that the best-selling health plans in Phoenix, Arizona charged a 40-year-old woman anywhere from 2% to 51% more than a 40-year-old man for identical coverage. In Lincoln, Nebraska a woman of that age was charged anywhere between 11% and 60% more than a man.

Gender rating is not just a problem of the individual market—it also occurs in the group market, where, for instance, insurance companies are allowed to charge a business more for coverage if it has a predominately-female workforce. We have heard repeatedly from predominately-female businesses that have learned that their health insurance premiums are higher because of the gender of their employees. For example, when Care & Comfort, a woman-owned Maine business that provides home health services, questioned why its premiums were increased by 38 percent, the insurer mentioned the gender makeup of its workforce.

Women who have employer-based health insurance generally have access to maternity benefits, since employer health plans are required to provide this care by the federal Pregnancy

Discrimination Act. However, no such protection exists in the individual health insurance market and our study found that maternity care is generally unavailable to women with individual health insurance plans. We examined over 3,500 plans and found that 60% did not cover maternity care at all. A limited number of insurers sell separate maternity coverage riders, but this supplemental coverage is often hard to find, limited in scope and for meaningful coverage prohibitively expensive.

In addition to the barriers presented by gender rating and maternity care exclusions, women also face discrimination in the individual health insurance market due to “pre-existing” condition exclusions. Simply being pregnant or having had a Cesarean section can be grounds enough for insurance companies to deny women coverage altogether. And in eight states and the District of Columbia, insurers are allowed to use a woman’s status as a survivor of domestic violence to deny her health insurance.

Quite simply, there is an urgent need for health reform now to make affordable, high-quality health care a reality for women across the country. The protections that are of fundamental importance for women are essential components of health reform—including robust insurance market reforms that apply broadly across all health insurance markets and provisions to ensure that care is affordable such as sliding scale premium subsidies and reasonable limits on out-of-pocket costs.

For women and their families, health reform that assures affordability and fairness will mean the difference between securing access to quality health care and going without.