

# Women's Special Stake in Health Care Reform

Feeling squeezed by rising costs for health care insurance? You're not alone. Between 1999 and 2008, family health insurance premiums doubled nationwide, versus a 34% rise in family wages.<sup>1</sup> These increases, which far outpace the rate of inflation, were the clear driver in recent efforts by Congress to restructure our health care system. Because women tend to bear a greater share of the increases — but get significantly less for their money — such reforms may have an especially large impact on their bottom line.

## Higher Premiums, Lower Coverage

During their reproductive years, women spend an average 68% more for health care versus men of the same age.<sup>2</sup> Part of this is the result of gender-based insurance premiums. A study by the National Women's Law Center found that women age 25 paid up to 84% more than men for identical coverage in individual plans — plans that exclude maternity benefits. Except in the 10 states that prohibit the practice, gender-based premiums are used by 95% of top-selling plans.<sup>3</sup>

Because women are more likely to work part time or for smaller employers, they may also lack access to lower-cost group plans. In addition, they are more likely to incur costs that their health plans limit or exclude or to have coverage rejected altogether. Maternity coverage, for example, is largely unavailable in individual health plans.

Due to higher health expenses, women are disproportionately affected by cost-sharing requirements, annual coverage limits, or limits on lifetime expenditures. Over their lifetimes, women are more likely to see medical providers and seek preventative care. They also have higher rates of chronic conditions<sup>4</sup>, are 40% more likely to take prescription drugs on a regular basis<sup>5</sup>, and are more likely to be afflicted by certain mental health problems<sup>6</sup>.

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<sup>1</sup> Kaiser Family Foundation and Health Research Education Trust, News Release, "Yearly Premiums for Family Health Coverage Risk to \$12,680 in 2008, up 5 Percent, as Many Workers Also Face Higher Deductibles" (KFF/HRET, Menlo Park, CA: Sept. 24, 2008), <http://www.kff.org/newsroom/ehbs092408.cfm>.

<sup>2</sup> National Women's Law Center, Fact Sheet: Addressing the Health Care Crisis (November 2008).

<sup>3</sup> National Women's Law Center, Nowhere to Turn: How the Individual Health Insurance Market Fails Women (2008).

<sup>4</sup> Alina Salganicoff et al., The Henry J. Kaiser Family Foundation, Women and Health Care: A National Profile (July 2005) <http://www.kff.org/womenshealth/upload/Women-and-Health-Care-A-National-Profile-Key-Findings-from-the-Kaiser-Women-s-Health-Survey.pdf>.

<sup>5</sup> Elizabeth Patchias and Judy Waxman, The Commonwealth Fund, Women and Health Coverage: The Affordability Gap (April 2007), <http://www.nwlc.org/pdf/NWLCCommonwealthHealthInsuranceIssueBrief2007.pdf>.

<sup>6</sup> National Women's Law Center and Oregon Health and Science University, Making the Grade on Women's Health: A National and State-by-State Report Card (2004).

## Women's Special Stake in Health Care Reform, *continued.*

Living an average five years longer than men, women thus have significantly greater lifetime health expenses.

### How Health Care Reform Will Help Women

Health care legislation recently signed into law by President Obama contains several provisions that will be of particular benefit to women:

- 1) Insurance will be available to all who want it.** The new law requires insurers to sell and renew coverage to anyone who seeks it — regardless of preexisting conditions. Insurers cannot rescind coverage, except in very limited circumstances.
- 2) Premiums will be gender neutral.** Insurers can no longer charge women more than men who are of the same age and live in the same geographic area.
- 3) Coverage will be expanded.** All new plans sold to individuals and small businesses will be required to cover a broad range of medical services, including maternity care. Preventative services, such as mammograms, must also be covered — with no copayments or deductibles.
- 4) Cost-effective plans will be easier to find.** In addition to eliminating annual and lifetime coverage caps, the legislation improves Medicare prescription coverage and creates health care exchanges that will make it easier to compare insurance plans.

### A Key Role in Financial Planning

The cost of health care coverage is an important, though sometimes overlooked, aspect of financial planning. Your advisor can help you weigh new insurance options as they become available through health care reform. It's never too early, however, to identify and address health care costs. Here are several steps you and your advisor can take together now to get the best coverage for your money:

- Calculate a total cost for health care that includes both your insurance premiums and out-of-pocket expenses such as copays, deductibles and uncovered prescriptions
- Review your current insurance plan to identify any changes you might make during your annual benefit enrollment period
- Discuss how your coverage and costs might change if you become widowed, get divorced, or lose employer-paid coverage due to a job change or company belt-tightening, and address such possibilities in your planning

Given the momentous changes included in the new health care law, and the special impact on women, it's particularly important that you visit your financial advisor soon to discuss potential changes in your coverage and their effect on this year's planning.