

# The Importance of Providing Transgender-Inclusive Health Coverage

**TRANSGENDER INDIVIDUALS OFTEN** face a significant number of discriminatory barriers in many aspects of life. While progress has been made in advancing workplace non-discrimination protections for transgender people working in healthcare facilities, one of the most important workplace benefits, healthcare coverage, has not kept pace.

Historically, many U.S. employer-based healthcare plans have explicitly contained “transgender exclusions.” These blanket exclusions prohibit coverage for medical care related to gender transition, known as transition-related healthcare. Transition-related healthcare encompasses mental healthcare, hormone therapy, gender-affirming surgeries and other medically necessary care. These discriminatory exclusions persist despite that the nation’s top professional health associations – including the American Medical Association and the American Psychological Association – have affirmed that transition-related care is medically necessary for the health and wellbeing of many transgender people.

Denying this medically necessary care is detrimental to transgender individual’s health and well-being as well as their ability to contribute in the workplace. If the intention of employer-provided healthcare is to promote a healthy and productive workforce, then providing healthcare coverage that removes these exclusions and provides affirmative transition-related care helps achieve the goal of promoting health and wellness across a diverse workforce.

## A Trend Towards Inclusive Benefits

A growing number of employers are eliminating transgender exclusions and affirmatively offering transition-related healthcare coverage. The Human Rights Campaign Foundation’s Corporate Equality Index (CEI), which assesses corporate policies and practices, tracks the number of major American private employers that offer transgender-inclusive healthcare benefits. **In the CEI 2017, 73% of rated businesses offer this important benefit. Unfortunately, hospitals lag behind their corporate counterparts when it comes to the provision of this benefit: Only**

## 47% offer transgender-inclusive healthcare benefits.

Many large corporations have successfully negotiated with their carriers to remove transgender exclusions from their health insurance policies and replace them with affirmed benefits that provide a base level of coverage for transgender medical care, including mental health counseling, hormone therapy, medical visits and surgical procedures. These efforts are particularly successful when employers provide comprehensive information to their carrier in the process.

## Costs

One of the most common reasons cited for not offering this coverage is misperceptions about cost. Studies have consistently shown that the cost of providing transgender inclusive health coverage is negligible. According to a study by The Williams Institute, 85% of responding employers who provide transgender-inclusive benefits report no cost at all.\* There is a misconception that gender-affirming treatments are expensive. Like many healthcare

\* Jody L. Herman, Costs and Benefits of Providing Transition-related Health Care Coverage in Employee Health Benefits Plans: Findings from a Survey of Employers, The Williams Institute, 2013.

## Transgender Inclusive Healthcare Insurance

Percentage of participants providing transgender inclusive healthcare insurance coverage

**73%**

**2017  
Corporate  
Equality Index  
participants**

**47%**

**2017  
Healthcare  
Equality Index  
participants**

treatments, these treatments can be prohibitively expensive for an individual, but the annualized cost to an employer's health plan is low. This is due to extremely low utilization rates. Since such a small percentage of people undergo transition-related medical care, distributed costs are nominal or nonexistent.

### Benefits

Providing transgender-inclusive health coverage is not just the right thing to do. Inclusive health coverage also brings many invaluable benefits. The Williams Institute study asked employers who provide transition-related health coverage about the benefits they receive as a result. A majority of responding employers, 60%, stated that providing inclusive health coverage makes them more competitive and improves recruitment and retention. Furthermore, 60% reported that providing transgender-inclusive benefits demonstrates and effectively communicates their commitment to fairness and equality. Moreover, employers noted that offering inclusive healthcare benefits increases employee satisfaction and morale, helps attract a diverse workforce and puts them on the "leading edge."

## HEI Criteria Requirement for Transgender-Inclusive Health Insurance Coverage

Beginning with the HEI 2019 (survey year 2018), participants will be required to have at least one firm-wide health insurance plan that affirmatively provides transgender-inclusive coverage in order to receive a perfect score in the HEI and obtain the "Leader in LGBTQ Healthcare Equality" designation.

### The plan must meet the following baseline criteria:

- Insurance contract must explicitly affirm coverage and contain no blanket exclusions for coverage.
- Plan documentation must be readily available to employees and must clearly communicate inclusive insurance options to employees and their eligible dependents.
- Benefits available to other employees must extend to transgender individuals. Where available for other employees, the following benefits should extend to transgender individuals, including for services related to gender transition (e.g., medically necessary services related to sex affirmation/reassignment):
  - Short-term medical leave
  - Mental health benefits
  - Pharmaceutical coverage (e.g., for hormone replacement therapies)
  - Coverage for medical visits or laboratory services
  - Coverage for reconstructive surgical procedures related to sex reassignment
  - Coverage of routine, chronic or urgent non-transition services

### The plan must eliminate other barriers to coverage:

- No separate dollar maximums or deductibles limited to coverage of sex reassignment surgeries and related procedures.
- Explicit adequacy of network provisions apply. When the provider network has not adequate specialists (as determined by qualified area specialists), out-of-network providers will be covered at in-network rates, as well as coverage of travel and lodging to such specialists.
- No other serious limitations. On a case by case basis, other serious limitations to coverage may be deemed sufficiently counterproductive to treatment success to disqualify a plan from eligibility. Two examples: a) Limitations on the time frame for or number of surgeries per individual would eliminate a plan from consideration (e.g., no "one surgery only" or "initial surgery" limitations); b) Similarly, exclusions for reversals of sex reassignment would also be regarded as unacceptable limits to coverage.