

# The Price of Being a Woman

## Part II: Gender Rating

Women Paying the Difference: A survey of the Individual Insurance Market in Pennsylvania



## Introduction

Women continue to face barriers and unfair practices when buying health insurance in the individual as well as small group market. Under a practice known as gender rating, insurance companies in most states are permitted to charge men and women different premiums, based on gender alone.

In trying to evaluate these problems from the consumer perspective, Maternity Care Coalition developed a study to replicate the experience of searching for and purchasing health insurance plans online. In all of the individual plans surveyed on eHealthInsurance.com, a leading online source for insurance sales, 100% of the plans gender rated. In some cases, plans charged women as much as 85% more than their male counterparts.

Findings also showed that gender trumps other pre-existing conditions such as smoking when it comes to calculating the premium cost to consumers. Even when comparing 40-year-old smokers and non-smokers, female non-smokers are still charged significantly higher premiums than males of the same age who smoke.

Nationwide, only a handful of states have taken legislative action to reform the individual insurance market. Fourteen states have banned or limited gender rating for individual health plans, including our neighbors New York and New Jersey. The vast majority of consumers, however, will continue to face gender discrimination when buying health insurance until the Patient Protection and Affordable Care Act – which eliminates gender rating for all health insurance plans – is fully implemented.



2000 Hamilton St  
Suite 205  
Philadelphia, PA 19130  
215-972-0700  
215-972-8266 Fax  
[www.maternitycarecoalition.org](http://www.maternitycarecoalition.org)



## Gender Rating in Pennsylvania

### Executive Summary

1. 100% of best-selling individual insurance plans available to non-smoking males and females practice gender rating.
2. Gender Rating in **Philadelphia**:
  - A 25-year-old non-smoking female is charged an average of 38.3% more in annual premium costs than a 25-year-old non-smoking male.
  - A 40-year-old non-smoking female is charged an average of 28.5% more in annual premium costs than a 40-year-old non-smoking male.
3. Gender Rating in **Pittsburgh**:
  - A 25-year-old non-smoking female is charged an average of 33.2% more in annual premium costs than a 25-year-old non-smoking male.
  - A 40-year-old non-smoking female is charged an average of 29.8% more in annual premium costs than a 40-year-old non-smoking male.
4. Even when comparing costs for smokers and non-smokers, female non-smokers are still charged significantly higher premiums than males of the same age who smoke.
  - For 25-year-olds, 86.5% of Philadelphia plans and 83.6% of Pittsburgh plans charge female non-smokers more than male smokers.
  - For 40-year-olds, 70.2% of Philadelphia plans and 63.9% of Pittsburgh plans charge female non-smokers more than male smokers.

### What We Did

Employing a similar methodology to the National Women's Law Center 2012 *Turning to Fairness* report, information was sought on the practice of gender rating among individual insurance plans in Philadelphia and Pittsburgh. Data used in this report was gathered from the best-selling plans offered on the eHealthInsurance website (<http://www.ehealthinsurance.com>), which is the nation's largest private online insurance exchange for individuals. "Best-selling" status is assigned by eHealthInsurance.com based on the number of applications submitted through its website and approved by the insurance company. The data provided in this study does not represent all best-selling individual

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insurance plans available in Pennsylvania, as some insurance companies do not market their plans through the eHealthInsurance distribution channel or to every geographic region in the state.

Data on gender rating was gathered by calculating the difference in premiums for each best-selling plan offered to a hypothetical non-smoking female and non-smoking male of the same age and zip code. As a result, we identified the number of plans that gender rate and the extent to which plans typically charge women more than men. The premiums for this same female non-smoker were then compared to premiums offered to a male smoker of the same age and zip code to determine the percentage of plans that charge female non-smokers more than male smokers. Both of these procedures were applied to four different groups: 25-year-olds in Philadelphia, 25-year-olds in Pittsburgh, 40-year-olds in Philadelphia, and 40-year-olds in Pittsburgh.

### Comparing the Gender Gap in Philadelphia



**Applicant: Sally**

**Gender: Female**  
 DOB: 6/3/1987  
 Date of Search: 6/6/2012  
 Date to start Coverage: 6/7/2012  
 Smoker: No  
 Zip Code: 19130

**Applicant: Billy**

**Gender Male**  
 DOB: 6/3/1987  
 Date of Search: 6/6/2012  
 Date to start Coverage: 6/7/2012  
 Smoker: No  
 Zip Code: 19130

Sally and Billy are both 25-year-olds living in Philadelphia. Both applicants were offered the same 74 best-selling plans from eHealthInsurance.com, but Sally was charged more than Billy for 100% of the plans, including those plans that did not cover maternity. Sally can expect to spend between 6.0% and 84.8% more than Billy on her insurance premium. On average, she will spend 38.3%, or \$533.7 more, annually than Billy.

The average gender gap in Philadelphia for 25-year-olds is 9.8% larger than the gender gap for 40-year-olds in Philadelphia and 5.1% more than 25-year-olds in Pittsburgh.

<b>Gender Rating Report Card</b>	Insurance Plan	Sally's Annual Cost*	Billy's Annual Cost*	Amount Sally pays more than Billy**	
Plan with smallest % gender gap	CelticCare II PPO 80/20 Plan (does not include maternity)	<b>\$2,360.16</b>	<b>\$2,226.96</b>	<b>\$133.20</b>	<b>6.0%</b>
Plan with largest % gender gap	HealthAmericaOne Copay 100% 0\$(includes maternity)	<b>\$5,004.96</b>	<b>\$2,967.84</b>	<b>\$2,037.12</b>	<b>84.8%</b>
Average across all plans	All 74 best-selling plans available	<b>\$1,906.08</b>	<b>\$1,372.32</b>	<b>\$533.77</b>	<b>38.3%</b>

\*Annual Cost does not include deductible or coinsurance

\*\*Average amount Sally pays more than Billy (in dollars and percentages) was derived by finding the male-female premium difference for each individual plan and then averaging all of the differences

### Comparing the Gender Gap in Philadelphia



**Applicant: Amanda**

**Gender: Female**  
 DOB: 6/3/1972  
 Date of Search: 6/6/2012  
 Date to start Coverage: 6/7/2012  
 Smoker: No  
 Zip Code: 19130

**Applicant: Bob**

**Gender Male**  
 DOB: 6/3/1972  
 Date of Search: 6/6/2012  
 Date to start Coverage: 6/7/2012  
 Smoker: No  
 Zip Code: 19130

Amanda and Bob are both 40-year-olds living in Philadelphia. Both applicants were offered the same 74 best-selling plans from eHealthInsurance.com, but Amanda was charged more than Bob for 100% of the plans, including those plans that did not cover maternity. Amanda can expect to spend between 16.3% and 48.3% more than Bob on her insurance premium. On average, she will spend 28.5%, or \$611.89 more, annually than Bob.

The average gender gap in Philadelphia for 40-year-olds is 9.8% smaller than the gender gap for 25-year-olds in Philadelphia and 1.3% smaller than for 40-year-olds in Pittsburgh.

<b>Gender Rating Report Card</b>	Insurance Plan	Amanda 's Annual Cost*	Bob's Annual Cost*	Amount Amanda pays more than Bob**	
Plan with smallest % gender gap	Independence Blue Cross PPO 8000 Deductible (does not include maternity)	<b>\$1,368.00</b>	<b>\$1,176.00</b>	<b>\$192.00</b>	<b>16.3%</b>
Plan with largest % gender gap	HealthAmericaOne Rewards \$2500 (does not include maternity)	<b>\$2,373.36</b>	<b>\$1,599.96</b>	<b>\$773.40</b>	<b>48.3%</b>
Average across all plans	All 74 best-selling plans available	<b>\$2,722.08</b>	<b>\$2,110.20</b>	<b>\$611.89</b>	<b>28.5%</b>

\*Annual Cost does not include deductible or coinsurance

\*\*Average amount Amanda pays more than Bob (in dollars and percentages) was derived by finding the male-female premium difference for each individual plan and then averaging all of the differences

### Comparing the Gender Gap in Pittsburgh



**Applicant: Laura**

**Gender: Female**  
 DOB: 6/3/1987  
 Date of Search: 6/6/2012  
 Date to start Coverage: 6/15/2012  
 Smoker: No  
 Zip Code: 15219

**Applicant: Jeff**

**Gender Male**  
 DOB: 6/3/1987  
 Date of Search: 6/6/2012  
 Date to start Coverage: 6/15/2012  
 Smoker: No  
 Zip Code: 15219

Laura and Jeff are both 25-year-olds living in Pittsburgh. Both applicants were offered the same 61 best-selling plans from eHealthInsurance.com, but Laura was charged more than Jeff for 100% of the plans, including those plans that did not cover maternity. Laura can expect to spend between 6.0% and 70.3% more than Robert on her insurance premium. On average, she will spend 33.2%, or \$377.21 more, annually than Jeff.

The average gender gap in Pittsburgh for 25-year-olds is 3.4% larger than the gender gap for 40-year-olds in Pittsburgh and 5.1% less than for 25-year-olds in Philadelphia.

<b>Gender Rating Report Card</b>	<b>Insurance Plan</b>	<b>Laura 's Annual Cost*</b>	<b>Jeff's Annual Cost*</b>	<b>Amount Laura pays more than Jeff**</b>	
Plan with smallest % gender gap	CeltiCare II Select PPO 80/20 Plan (does not include maternity)	<b>\$3,207.12</b>	<b>\$3,026.16</b>	<b>\$180.96</b>	<b>6.0%</b>
Plan with largest % gender gap	HealthAmericaOne Rewards \$5000 (does not include maternity)	<b>\$823.32</b>	<b>\$483.48</b>	<b>\$339.84</b>	<b>70.3%</b>
Average across all plans	All 61 best-selling plans available	<b>\$1,620.96</b>	<b>\$1,243.68</b>	<b>\$377.21</b>	<b>33.2%</b>

**\*Annual Cost does not include deductible or coinsurance**

**\*\*Average amount Laura pays more than Jeff (in dollars and percentages) was derived by finding the male-female premium difference for each individual plan and then averaging all of the differences**

### Comparing the Gender Gap in Pittsburgh

**Age 40  
Pittsburgh  
★ 61 Best Selling  
Plans**

**Applicant: Sara**

**Gender: Female**  
 DOB: 6/3/1972  
 Date of Search: 6/6/2012  
 Date to start Coverage: 6/15/2012  
 Smoker: No  
 Zip Code: 15219

**Applicant: Tom**

**Gender Male**  
 DOB: 6/3/1972  
 Date of Search: 6/6/2012  
 Date to start Coverage: 6/15/2012  
 Smoker: No  
 Zip Code: 15219

Sara and Tom are both 40-year-olds living in Pittsburgh. Both applicants were offered the same 61 best-selling plans from eHealthInsurance.com, but Sara was charged more than Tom for 100% of the plans, including those plans that did not cover maternity. Sara can expect to spend between 20.0% and 48.3% more than Tom on her insurance premium. On average, she will spend 29.8%, or \$553.54 more, annually than Tom.

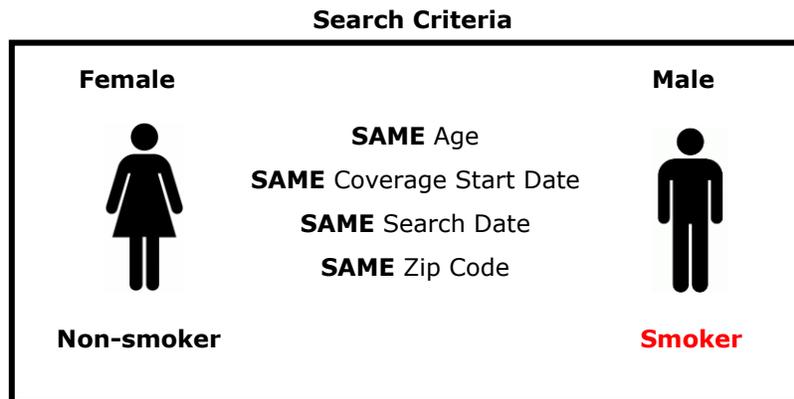
The average gender gap in Pittsburgh for 40-year-olds is 3.4% smaller than the gender gap for 25-year-olds in Pittsburgh and 1.3% more than for 40-year-olds in Philadelphia.

<b>Gender Rating Report Card</b>	<b>Insurance Plan</b>	<b>Sara 's Annual Cost*</b>	<b>Tom's Annual Cost*</b>	<b>Amount Sara pays more than Tom**</b>	
Plan with smallest % gender gap	UnitedHealthOne Saver 80 (does not include maternity)	<b>\$950.40</b>	<b>\$791.76</b>	<b>\$158.64</b>	<b>20.0%</b>
Plan with largest % gender gap	HealthAmericaOne Rewards \$1750 (does not include maternity)	<b>\$1,736.52</b>	<b>\$1,170.72</b>	<b>\$565.80</b>	<b>48.3%</b>
Average across all plans	All 61 best-selling plans available	<b>\$2,455.92</b>	<b>\$1,902.36</b>	<b>\$553.54</b>	<b>29.8%</b>

**\*Annual Cost does not include deductible or coinsurance\***

**\*\*Average amount Sara pays more than Tom (in dollars and percentages) was derived by finding the male-female premium difference for each individual plan and then averaging all of the differences**

### Comparing the Gender Gap: Philadelphia and Pittsburgh



The extent of gender rating is also illustrated by comparing the premiums charged to female **non-smokers** to the premiums of male **smokers** of the same age and zip code.

Gender rating appears more common among the 25-year-old age group than the 40-year-old age group. For 25-year-olds, 86.5% of Philadelphia plans and 83.6% of Pittsburgh plans charge female non-smokers more than male smokers. Gender rating is only somewhat less prevalent among the 40-year-old age group, with 70.2% of Philadelphia plans and 63.9% of Pittsburgh plans charging female non-smokers more than male smokers.

#### Percentage of plans charging female non-smokers more than male smokers

	Philadelphia (Out of 74 total plans)	Pittsburgh (Out of 61 Total Plans)
25-year-olds	86.5%	83.6%
40-year-olds	70.2%	63.9%