

## **New Article: Relating to Accident and Sickness Insurance Policies**

This new article, proposed in a Governor's Budget Amendment on October 23, 2020, would prohibit private health insurance companies from practicing gender rating, or charging more for health insurance on the basis of gender.

### **FISCAL IMPACT**

Since this article does not amend any language relating to Medicaid or other public insurers, there is no fiscal impact.

### **ANALYSIS AND BACKGROUND**

Insurance carriers are able to charge males and females different premiums for individual insurance under a practice known as gender rating. As of March 2020, there were approximately 97,119 Rhode Islanders enrolled in the large group insurance market. Under current law, those insured in the large group insurance market can be charged higher premiums for the same coverage on the basis of gender. The National Conference of State Legislatures states that women can be charged as much as 50.0 percent more than men, especially for women of child-bearing age.

The practice of gender rating has been criticized for restricting women's access to healthcare. Some argue, however, that gender rating is actuarially accurate since women normally have higher health care costs. In addition, there is the possibility of insurers weighing other factors, such as the health of the group, age, claims history, or risk of occupation, more heavily.

This article would prohibit private individual or group insurers from practicing gender rating. Gender rating is charging a higher premium solely on the basis of gender. The Affordable Care Act (ACA) prohibited the practice beginning in 2014 for individual and small group plans. The new article prohibits this activity within the large group market and codifies the ACA gender rating provisions into State law.

Eleven states, including four in New England (Connecticut, Massachusetts, Maine, and New Hampshire) prohibit gender rating.