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Covering gender-affirming treatments will save health plans money, advocates say

Last month the Department of Financial Services announced that it had approved 27 commercial insurance carriers' state-mandated criteria for covering gender-affirming treatments for transgender individuals. By covering these treatments, advocates say, health plans will end up saving money in the long run.

Before the state-implemented protections, transgender patients were routinely denied many treatments for gender dysphoria, such as facial feminization and voice therapy, under the grounds that they were cosmetic, said Alister Rubenstein, transgender health program manager at Amida Care, a Midtown-based Medicaid health plan with a special focus on transgender health and patients living with HIV.

In 2015 state regulations prohibited denials for medically necessary treatments, typically defined as genital or chest reconstruction surgeries, for gender dysphoria. Last year DFS directed commercial insurance plans to submit their criteria for covering gender-affirming treatments to the Office for Mental Health for approval, stating it would not approve any that categorically exclude such treatments.

"For transgender patients, gender affirmation is not just about genitals, unlike what [health plan] executives think," said Zil Goldstein, associate medical director for transgender and gender nonbinary health at Callen-Lorde, a Chelsea-based community health center for the LGBTQ community. "So much more goes into the experience of being trans. Body contouring, eliminating hips—all are important to the person suffering gender dysphoria.

"But now that health plans are required to cover all gender-affirming treatments," Goldstein continued, "they'll start to realize this will actually save them money as opposed to denying such coverage."

Some of the priciest surgeries that previously had been routinely denied were facial feminization, with coverage costs into the tens of thousands of dollars, Goldstein said. But by actually covering one-time procedures, insurers could end up saving into the hundreds of thousands, thanks to the individuals'

improved behavioral and mental health, a decrease in hospitalizations from related emergencies and better-controlled chronic health conditions, she said.

That has been the experience at AmidaCare's health plan, said Kevin Steffens, vice president of clinical services and programs.

"We have definitely seen a reduction in hospitalization and behavioral health service usage, especially early on in their transitioning journey," Steffens said. Although actual cost-saving numbers are not yet available because its plan started in 2015, AmidaCare says that when trans patients are seen for one issue, they can be treated for others in tandem. In this way, the company says it has helped 93% of its transgender patients who also have HIV achieve viral suppression.

"Studies have shown managing even one patient's HIV saves a health plan over \$500,000 in lifetime utilization costs," Rubenstein added.

Besides procedure cost savings, simply covering the treatments without avoids needing to allot human resources personnel to making denials and dealing with appeals, Steffens said.

"Whereas an approval takes minutes, making denials is a long-lasting process," he said.

Avoiding litigation also can lead to savings. Although individual lawsuits against health plans and employers over gender-affirming treatment denials are infrequent, class-action suits can be brought because there are now multiple laws in their favor, said Noah Lewis, director of the Trans Health Project at the Transgender Legal Defense & Education Fund, a Garment District-based legal advocate for transgender patients. These include Title VII of the Civil Rights Act, which prohibits employment discrimination based on sex, and the Affordable Care Act, which includes transgender health protections that were reinstated by the Biden administration in May after being dismantled by the previous administration.

When reached for comment, a spokeswoman for the New York Health Plan Association, which represents 28 insurers in the state, said it has no opinion on the matter.

A Cigna spokeswoman confirmed its coverage criteria were approved by the state and said it will continue to update them as needed to comply with all state laws and regulations in New York and across the country.

There is still work to be done on the issue, however, said Lewis. The recent regulation applies only to state-regulated commercial plans, not to self-funded plans, wherein an employer pays for all costs.

"It'll take work between the governor's office, legislators and community leaders to ensure protection of transgender health in the state is complete," he said. —Shuan Sim