Contraceptive Equity

Health insurance companies are discriminating against women by denying them contraceptive coverage while routinely covering prescriptions for Viagra.

Contraceptive Equity

Summary:

- **Millions of women are denied coverage for their contraceptive needs by health insurance and managed care organizations. It is largely for this reason that women pay 68 percent more in out-of-pocket medical expenses than men.**
- **The denial of contraceptive coverage constitutes sex discrimination.**
- **The same health plans that refuse payment for contraception routinely cover Viagra.**
- **Increased access to contraception decreases the need for abortions.**
- **Increased access to contraception improves women's and children's health.**
- **The public supports equitable coverage for contraception.**
- **The insurance industry falsely claims that requiring equitable coverage for contraception will drive up the cost of health care.**
- **Denial clauses hinder contraceptive equity.**

Millions of women are denied coverage for their contraceptive needs by health insurance and managed care organizations.

More than one-third of employer-based health plans do not cover any oral contraceptives, and only 41 percent cover all types of reversible contraceptives.[1] This lack of insurance coverage for contraception harms women economically. Women of reproductive age spend 68 percent more than their male counterparts on out-of-pocket healthcare costs, with contraceptives and reproductive healthcare services accounting for much of the difference.

The denial of contraceptive coverage constitutes sex discrimination.

Over 97 percent of health insurance plans provide coverage for prescription drugs. Both the Equal Employment Opportunity Commission and a federal court have ruled that an employer's failure to cover prescription contraceptives, when it covers other preventive medicines and devices, constitutes sex discrimination in violation of federal law.

The same health plans that refuse payment for contraception routinely cover Viagra.

This insurance company practice that favors men and discriminates against women has been referred to as "redlining in the bedroom."

Increased access to contraception decreases the need for abortions.

Nearly half of all pregnancies in the United States are unintended, and approximately half of unintended pregnancies end in abortion.

Increased access to contraception improves women's and children's health.

Women with unintended pregnancies are less likely to obtain timely, adequate prenatal care, increasing the likelihood of low birth-weight babies and infant mortality. Effective family planning could reduce the incidence of low birth-weight by 12 percent and infant mortality by 10 percent.[2]

The public supports equitable coverage for contraception.

A nationwide poll conducted in 2001 by the NARAL Foundation found that 77 percent of Americans support legislation requiring health insurance companies to cover the cost of contraception. Similarly, a 1998 survey by the Kaiser Family Foundation found that 73 percent of Americans support insurance coverage of contraception even when participants are told that the coverage could increase premiums by $1-5 per month.[3]

Twenty-one states have enacted contraceptive equity.

Since 1998, 21 states have enacted comprehensive laws or regulations to address imbalances in private insurance coverage for contraception (AZ, CA, CT, DE, GA, HI, IL, IA, ME, MD, MA, MO, NV, NH, NM, NY, NC, RI, TX, VT, WA).

The insurance industry falsely claims that requiring equitable coverage for contraception will drive up the cost of health care.

The added cost for employers to provide coverage for the full range of reversible contraceptives is approximately $1.43 per employee, per month, according to a comprehensive analysis. The cost is significantly lower for health plans that currently cover some form of contraception.[4] At the same time, insurers generally pay the medical costs of unintended pregnancy, including ectopic pregnancy (average cost $4,994), spontaneous abortion ($1,038), and term pregnancy ($8,619). Therefore, covering contraceptives could save insurers a considerable sum.

Denial clauses hinder contraceptive equity.

Opponents of contraceptive equity sometimes propose denial clauses, also called "conscience" clauses, which permit employers and /or insurers who object to contraception to refuse to provide for its coverage. This leaves patients unable to obtain necessary care.

This policy brief relies in large part on information from NARAL Pro-Choice America.

Endnotes

[1] Kaiser Family Foundation, "HRET Employer Health Benefits: 2001 Annual Survey."

[2] Rachel Benson Gold, "The Need for Mandating Private Insurance Coverage of Contraception," *The Alan Guttmacher Report on Public Policy*, 1998.

[3] Kaiser Family Foundation, "Kaiser Family Foundation National Survey on Insurance Coverage of Contraceptives," 1998.

[4] Jacqueline Darroch, "Cost to Employer Health Plans of Covering Contraceptives, Summary, Methodology and Background," Alan Guttmacher Institute, 1998.

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For more information...

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Contraceptive Equity Act

Summary: The Equity in Prescription Insurance and Contraceptive Coverage Act prohibits health insurance plans that cover prescription drugs and devices from refusing coverage for contraceptives.

SECTION 1. SHORT TITLE

This Act may be cited as the "Equity in Prescription Insurance and Contraceptive Coverage Act."

SECTION 2. FINDINGS AND PURPOSE

(A) FINDINGS—The legislature finds that:

1. Insurance coverage of contraceptives is lacking. Three-fourths of women of childbearing age rely on some form of private employment-related insurance to defray their medical expenses. Yet nearly half of all typical large group insurance plans do not routinely cover any contraceptive method at all.
2. Nationally, 97 percent of large group insurance plans routinely cover prescription drugs, yet only 15 percent routinely cover all five primary reversible contraceptive methods: oral contraception, IUD insertion, diaphragm, Norplant insertion, and Depo-Provera injection.
3. In [STATE], [number or percentage] of insurance plans do not provide coverage for [the full range of/any] contraceptives.

(B) PURPOSE—This law is enacted to protect the health and safety of women of childbearing age and to remedy inequity in health insurance coverage.

SECTION 3. CONTRACEPTIVE EQUITY

(A) DEFINITIONS—In this section:

1. "Covered person"means a policy holder, subscriber, certificate holder, enrollee, or other individual who is participating in, or receiving coverage under, a health insurance plan.
2. "Health insurance plan" means any individual or group plan, policy, certificate, subscriber contract, or contract of insurance that is delivered, issued, renewed, modified, amended or extended by a health insurer.
3. "Health insurer" means a disability insurer, health care insurer, health maintenance organization, accident and sickness insurer, fraternal benefit society, nonprofit hospital service corporation, health service corporation, health care service plan, preferred provider organization or arrangement, self insured employer, or multiple employer welfare arrangement.
4. "Outpatient contraceptive services" means consultations, examinations, procedures and medical services provided on an outpatient basis and related to the use of contraceptive drugs and devices to prevent pregnancy.

(B) PARITY FOR CONTRACEPTIVES

1. Health insurance plans that provide benefits for prescription drugs or devices shall not exclude or restrict benefits to covered persons for any prescription contraceptive drug or device approved by the Food and Drug Administration. [Optional: Health care plans must allow enrollees to obtain at least a 90-day supply of oral contraceptives per refill.]
2. Health insurance plans that provide benefits for outpatient services provided by a health care professional shall not exclude or restrict outpatient contraceptive services for covered persons.

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(C) EXTRAORDINARY SURCHARGES PROHIBITED

A health insurance plan is prohibited from:
1. Imposing deductibles, copayments, other cost-sharing mechanisms, or waiting periods for prescription contraceptive drugs or devices that are greater than deductibles, copayments, other cost-sharing mechanisms, or waiting periods for other covered prescription drugs or devices.
2. Imposing deductibles, copayments, other cost-sharing mechanisms, or waiting periods for outpatient contraceptive services that are greater than deductibles, copayments, other cost-sharing mechanisms, or waiting periods for other covered outpatient services.

(D) OTHER PROHIBITIONS

A health insurance plan is prohibited from:
1. Denying eligibility, continued eligibility, enrollment, or renewal of coverage to any individual because of their use or potential use of contraceptives.
2. Providing monetary payments or rebates to covered persons to encourage them to accept less than the minimum protections available under this section.
3. Penalizing, or otherwise reducing or limiting the reimbursement of a health care professional because such professional prescribed contraceptive drugs or devices, or provided contraceptive services.
4. Providing incentives, monetary or otherwise, to a health care professional to induce such professional to withhold contraceptive drugs, devices or services from covered persons.

(E) ENFORCEMENT

In addition to any remedies at common law, the [insurance commissioner] shall receive and review written complaints regarding compliance with this section. The [insurance commissioner] may use all investigatory tools available to verify compliance with this section. If the [insurance commissioner] determines that a health insurance plan is not in compliance with any section in this section, the [commissioner] shall:
1. Impose a fine of up to $10,000 per violation of this section. An additional $10,000 may be imposed for every 30 days that a health insurance plan is not in compliance; and
2. Suspend or revoke the certificate of authority or deny the health insurer's application for a certificate of authority.

SECTION 4. SEVERABILITY

If any provision, word, phrase or clause of this Act, or the application thereof, to any person, entity or circumstance should be held invalid, such invalidity shall not affect the remaining provisions, words, phrases or clauses of this act which can be given effect without the invalid provision, word, phrase, clause or application, and to this end, the provisions, words, phrases or clauses of this act are declared severable.

SECTION 5. EFFECTIVE DATE

This Act shall take effect on July 1, 2004. This Act shall apply to any health insurance plan delivered, issued, renewed, modified, amended or extended on or after the effective date.

This model is based on legislation developed by NARAL Pro-Choice America.