

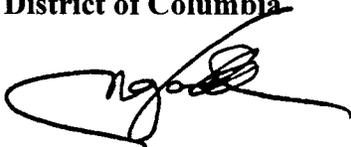
Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: November 2, 2009

SUBJECT: Fiscal Impact Statement – “Healthcare Equality Reform Act of 2009”

REFERENCE: Bill Number 18-502 – As Introduced

Conclusion

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. The proposed legislation does not have an impact on the District’s budget and financial plan.

Background

The proposed legislation would prohibit variation in health insurance rate-setting based on the gender or sex of an individual, so that no individual health benefit plan offered, sold, issued, or renewed to a District resident would have a premium rate, or any other underwriting decision, determined through a method that is in any way based upon the gender or sex of a person covered under the health benefit plan.¹

Financial Plan Impact

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation.

The District of Columbia offers healthcare benefits to its employees through a group insurance program, and the premiums charged to individual employees do not vary by sex, suggesting that individual rates are already based on pooled risks across males and females. Therefore, the

¹ The legislation is proposed as a response to the issue raised that insurance companies tend to charge higher rates for women even if maternity costs are excluded, because women use more healthcare services and are more likely to receive regular screenings.

proposed legislation is not expected to have an immediate impact on the cost of healthcare benefits offered by the District.

However, a possible long run effect of the legislation could be the equating of insurance rates for males and females at higher than current premium levels. In the absence of any other policy interventions, this could contribute to increasing in healthcare costs.