The Cost of Transgender Health Benefits

Transgender at Work

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Elizabeth Goza
Katheryn Kereluik

This document was prepared by Mary Ann Horton and Jason Lintner for presentation at the 2005 Out & Equal Workplace Summit in Tempe AZ. It is made available as a reference for non-commercial use only. Any use of this material should be only with full attribution to all three of Mary Ann Horton, Jason Lintner, Elizabeth Goza, Katheryn Kereluik, and Out & Equal Workplace Advocates.
Agenda

- Introductions
- Transgender Background
- Summary of Earlier Work
- Methodology
- Data
- Prevalence Results
- Cost Results
- Cost Prediction Tool for your Company
- Summary
- Q&A
Introductions

- Tell us about yourself
  - Name
  - Company
  - Role
    - HR Benefits
    - HR Diversity
    - Employee Resource Group Leader
    - other
- What do you hope to get from this workshop?
Introduction to THBs

- Transsexuals have health care needs that are often not covered on health plans.
- Employers considering including THBs are concerned that the cost is unknown and may be too high.
- No good data exists on prevalence or cost.
HRC Equality Index

- Score of 100% is a sign of Excellence.
- Currently allocates points for

<table>
<thead>
<tr>
<th>Sexual Orientation in EO Policy ✓</th>
<th>Gender Identity and Expression in EO Policy ✓</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Partner Benefits ✓</td>
<td>Transgender Health Benefits (2006)</td>
</tr>
</tbody>
</table>

- THB data collected in 2005, 0% allocated
- THB percentage points allocated starting in 2006
Background

- Transgender
  - Transsexuals, Crossdressers, ... others
  - MTF or FTM
  - Transsexuals are diagnosed with Gender Identity Disorder (GID) by a therapist
  - There is a standard treatment for GID
  - Standard treatment incurs medical costs
HBIGDA Standards of Care (SOC)

- Standards for treatment of Gender Identity Disorder
  - Treatment begins with a GID Diagnosis
  - Letter from therapist for hormones
  - 1 year Real Life Experience
  - 2 Letters, one from a Doctor, for Genital Surgery
Male to Female Time Line

Years 0 1 2 3

Therapy

2 letters for SRS

HRT (Transitional)  HRT (Maintenance)

Electrolysis

RLE

Transition  SRS

Legal Name Change
Female to Male Time Line

- **Years 0**: Therapy
- **Year 1**: 2 letters for Bottom Surgery
- **Years 2-3**: HRT (Transitional) to HRT (Maintenance)
- **Year 2**: RLE
- **Year 3**: Legal Name Change, Transition, Top Surgery, Bottom Surgery
Exercise: What is Medically Necessary?

- See the list of procedures in your handout
- Decide which procedures are
  - Medically Necessary
  - Cosmetic
- How to decide:
  - Is the treatment covered for non-transgendered patients?
  - Lucent’s definition of “Medically Necessary” is:
    
    “Care is considered medically necessary if:
    - It is accepted by the health care profession in the U.S. as appropriate and effective for the condition being treated, and
    - It is based upon recognized standards of the health care specialty involved, and
    - It represents the most appropriate level of care: the frequency of services, the duration of services, and the site of services, depending on the seriousness of the condition being treated (such as in the hospital or in the physician’s office), and
    - It is not experimental or investigational.”
Opinion of the Specialists

- Quotes from *Harry Benjamin International Gender Dysphoria Association* “Standards of Care,” Sixth Version, 2001:
  - *Hormones are often medically necessary* for successful living in the new gender.
  - In persons diagnosed with transsexualism or profound GID, *sex reassignment surgery*, along with hormone therapy and real-life experience, is a treatment that has proven to be effective. Such a therapeutic regimen, when prescribed or recommended by qualified practitioners, *is medically indicated and medically necessary*. Sex reassignment is not "experimental," "investigational," "elective," "cosmetic," or optional in any meaningful sense. It constitutes very effective and appropriate treatment for transsexualism or profound GID.
Health Care Costs

- **Medically Necessary Procedures**
  - Mental Health (Therapy)
  - Hormones (Pharmaceuticals)
  - Doctors visits to support hormones
  - Surgery
    - MTF: orchidectomy, penectomy, vaginaplasty, labiaplasty
    - FTM: mastectomy, hysterectomy, metoidioplasty, phalloplasty

- **Cosmetic Procedures**
  - Electrolysis
  - Speech therapy
  - Breast augmentation surgery
  - Facial surgery
  - Voice surgery
How Many Transgendered People are There?

**Male to Female**
- Not Transgender: 94%
- Halloween: ???
- Partial Crossdressing: ???
- Part Time Crossdressing: ???
- Transitioned Full Time: ???
- Post-Op: ???

**Female to Male**
- Not Transgender (0): 97%
- Halloween (1): ???
- Partial Crossdressing (2): ???
- Part Time Crossdressing (3,4): ???
- Transitioned Full Time (5,6): ???
- Post-Op (6,7): ???

(J.P. Morgan Chase)
• Prevalence of Transgenderism (1+)
  - Janus 1993: Ever crossdressed: MTF 6%, FTM 3%
• Prevalence of GID (5+)
  - DSM IV GID 1994: MTF 1:30,000, FTM 1:100,000
    (based on 1967 Swedish study)
  - van Kesteren 1996: MTF 1:11,900, FTM 1:30,400
    (Netherlands)
• Prevalence of SRS (6+)
  - Conway 2001: MTF 1:1333 to 1:1000
Experience with Employers

- **Lucent 2000-2003**
  - Paid for 2 surgeries, total $20,000 ($5,000/year)
  - 150,000 employees in 2000, 33,000 in 2003

- **Avaya 2001-2003**
  - No surgeries, $0
  - 40,000 employees

- **San Francisco, 2001-2004**
  - Forecast 35 surgeries/year, $750,000/year
  - Actual for 11 people, total $183,000 ($46,000/year)
  - 37,000 employees, 60,000 insured
Methodology

- Surveys sent to 55 HBIGDA surgeons and clinics worldwide. 14 responses, 12 of 15 major surgeons
  - # of primary surgeries in 2001, MTF & FTM
  - Total cost, MTF & FTM
  - % who were US residents, MTF & FTM
  - Questions about FTM bottom surgery.

- Subject matter experts advice on percentages in each treatment

- Known standard costs for Therapy, Hormones, Doctors
## Results: Surgical Data

<table>
<thead>
<tr>
<th></th>
<th>MTF</th>
<th>FTM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td># Surgeries (all surgeons of US patients)</td>
<td>995</td>
<td>500</td>
<td>1495</td>
</tr>
<tr>
<td>Total Cost ($ millions)</td>
<td>$10.31</td>
<td>$8.97</td>
<td>$19.28</td>
</tr>
<tr>
<td>Average surgery cost</td>
<td>$10,400</td>
<td>$17,900</td>
<td>$12,900</td>
</tr>
<tr>
<td>% US residents</td>
<td>74%</td>
<td>86%</td>
<td>77%</td>
</tr>
<tr>
<td># Surgeries on US residents</td>
<td>736</td>
<td>430</td>
<td>1166</td>
</tr>
</tbody>
</table>
## FTM Surgical Data

<table>
<thead>
<tr>
<th>Surgery</th>
<th>% of FTMs</th>
<th>Average Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mastectomy / Chest Reconstruction</td>
<td>80%</td>
<td>$8,500</td>
</tr>
<tr>
<td>Hysterectomy &amp; Oopherectomy</td>
<td>50%</td>
<td>$15,000</td>
</tr>
<tr>
<td>Metoidioplasty</td>
<td>5%</td>
<td>$10,500</td>
</tr>
<tr>
<td>Phalloplasty</td>
<td>6%</td>
<td>$23,750</td>
</tr>
</tbody>
</table>
## Nonsurgical Costs

<table>
<thead>
<tr>
<th>Cost / Patient</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Years 1+2</th>
<th>Year 3</th>
<th>Years 3+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Therapy</td>
<td>$900</td>
<td>$188</td>
<td>$1088</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>HRT Rx</td>
<td>$807</td>
<td>$2,129</td>
<td>$2,936</td>
<td>$363</td>
<td>$10,395</td>
</tr>
<tr>
<td>HRT MD</td>
<td>$510</td>
<td>$385</td>
<td>$895</td>
<td>$255</td>
<td>$7,272</td>
</tr>
</tbody>
</table>
What is the Prevalence of lifetime SRS?

- 1:1,000
- 1:3,000
- 1:10,000
- 1:30,000
### What is the Prevalence of lifetime SRS?

<table>
<thead>
<tr>
<th>Total</th>
<th>MTF</th>
<th>FTM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1:1,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1:3,000</strong></td>
<td>1:2,500</td>
<td>1:4,200</td>
</tr>
<tr>
<td><strong>1:10,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1:30,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Surgeries/Year**  
- **1,166**

**US Residents**  
- **281,421,906**

**Ratio SRS in 1 year**  
- **1:241,295**

**Life Expectancy**  
- **77**

**Ratio SRS in lifetime**  
- **1:3,134**

**Ratio having GID**  
- **1:866**
## US Census 2000

<table>
<thead>
<tr>
<th>US 2000 Census Data</th>
<th>Males</th>
<th>Females</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>US residents, all ages</td>
<td>138,053,563</td>
<td>143,368,343</td>
<td>281,421,906</td>
</tr>
<tr>
<td>% US residents with health insurance</td>
<td>81.5%</td>
<td>81.5%</td>
<td>81.5%</td>
</tr>
<tr>
<td>US residents age 0-64 with health insurance</td>
<td>100,769,809</td>
<td>100,070,765</td>
<td>200,840,575</td>
</tr>
<tr>
<td>Ratio having SRS in lifetime</td>
<td>1:2,524</td>
<td>1:4,183</td>
<td>1:3,134</td>
</tr>
</tbody>
</table>
How Many Transgendered People are There?

**Male to Female**
- Not Transgender: 94%
- Halloween: 3%
- Partial Crossdressing: 2%
- Part Time Crossdressing: .9%
- Transitioned Full Time: .08%
- Post-Op: .017%

**Female to Male**
- Not Transgender (0): 97%
- Halloween (1): 2%
- Partial Crossdressing (2): 0%
- Part Time Crossdressing (3,4): .9%
- Transitioned Full Time (5,6): .01%
- Post-Op (6,7): .009%
Quiz - What is the cost per insured for SRS?

With all these US residents having surgery, if you spread out the cost over all US residents who have insurance, what is the annual cost per insured for SRS?

- $.06
- $1.75
- $15
- $189
The cost per insured for SRS

With all these US residents having surgery, if you spread out the cost over all US residents who have insurance, what is the annual cost per insured for SRS?

- $0.06
- $1.75
- $15
- $189

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Surgeries/Year</td>
<td>1,166</td>
</tr>
<tr>
<td>(on insured 0-64)</td>
<td>951</td>
</tr>
<tr>
<td>Average Cost</td>
<td>$12,895</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$12,257,223</td>
</tr>
<tr>
<td># US Insured (0-64)</td>
<td>200,840,575</td>
</tr>
<tr>
<td>Cost/Insured</td>
<td>$.06</td>
</tr>
</tbody>
</table>
## Total Annual Cost per Insured

<table>
<thead>
<tr>
<th>Service</th>
<th>Total Cost (millions)</th>
<th>Cost / Insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Therapy</td>
<td>$3.17</td>
<td>$0.02</td>
</tr>
<tr>
<td>HRT Rx</td>
<td>$40.56</td>
<td>$0.20</td>
</tr>
<tr>
<td>HRT MD</td>
<td>$24.90</td>
<td>$0.12</td>
</tr>
<tr>
<td>Surgery</td>
<td>$12.26</td>
<td>$0.06</td>
</tr>
<tr>
<td>Total</td>
<td>$79.97</td>
<td>$0.40</td>
</tr>
</tbody>
</table>
Total THB Annual Cost per Insured

- Surgery: $0.06
- HRT MD (Transitional): $0.01
- HRT MD (Maint.): $0.11
- HRT Rx (Transitional): $0.04
- HRT Rx (Maint.): $0.16
- Therapy: $0.02
Error Analysis: Annual Cost per Insured

- Minimum cost: $0.08
- Best Estimate: $0.40
- Maximum cost: $5.32
- Domestic Partner Benefits: $40.00 (1%)
- Full Health Insurance: $4,000.00 (2001)
Quiz - How much does each pill cost?

- Premarin 1.25g (Estrogen) - $0.82
- Diovan 80mg (Blood Pressure) - $1.37
- Spironolactone 50mg (BP, AntiAndrogen) - $0.21
- Prozac 10mg (Generic) - $1.23
- Viagra 50mg - $8.31

Costs per pill for 90 day supply at MedcoHealth, employee + employer share.
Cost Issues

- Cost to employer to cover is less than full cost.
  - Employer pays part, Patient pays part.
  - Most plans currently have partial coverage
  - Maintenance HRT Rx probably already covered

- % of TS employees with insurance unknown
  - TS unemployment rate may be higher?
  - Those having SRS are self-funded, likely covered?

- Magnet effect may attract costs

- Increased coverage may cause increased usage.
### Cost Tool

<table>
<thead>
<tr>
<th>Type of Cost</th>
<th>Annual Total Cost /Insured</th>
<th>Employee Share (15%)</th>
<th>Employer Share (85%)</th>
<th>Employer Currently Paying</th>
<th>Increased Care Cost (magnet &amp; long term)</th>
<th>Increased cost to Employer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symbol for Cost</td>
<td>C</td>
<td>E</td>
<td>Er = C - E</td>
<td>CP</td>
<td>IC</td>
<td>I = Er - CP + IC</td>
</tr>
<tr>
<td>Therapy</td>
<td>$0.016</td>
<td>$0.002</td>
<td>$0.013</td>
<td>Varies</td>
<td>0</td>
<td>≤ $0.013</td>
</tr>
<tr>
<td>HRT Rx</td>
<td>$0.202</td>
<td>$0.030</td>
<td>$0.172</td>
<td>$0.134</td>
<td>0</td>
<td>$0.038</td>
</tr>
<tr>
<td>HRT MD</td>
<td>$0.124</td>
<td>$0.019</td>
<td>$0.105</td>
<td>$0.094</td>
<td>0</td>
<td>$0.011</td>
</tr>
<tr>
<td>Surgery</td>
<td>$0.061</td>
<td>$0.009</td>
<td>$0.052</td>
<td>Varies</td>
<td>0</td>
<td>≤ 0.052</td>
</tr>
<tr>
<td>Total</td>
<td>$0.403</td>
<td>$0.060</td>
<td>$0.342</td>
<td>≥ $0.228</td>
<td>0</td>
<td>≤ $0.114</td>
</tr>
</tbody>
</table>
Annual Cost Increase per Insured

- Employee Share 6¢
- Possible Cost Increase ≤ 11¢
- Currently Covered ≥ 23¢

Cost/Insured

JPMorganChase
Summary

- **Prevalence numbers:**
  - About 1,166 surgeries/year on 281,422,000 in US
  - 1:240,000 have surgery each year
  - 1:3,100 have surgery once in their lifetime

- **Surgical Cost:** about 06¢ / insured
- **Total Cost:** about 40¢ / insured
- **Potential cost increase:** about 11¢ / insured
- **HRC Equality Index:** THB points in 2006
Q & A
DELETED SLIDES
Black & White Logos for Master Slides
Health Care Unrelated to Transsexualism

- Some doctors refuse to treat transsexuals for conditions unrelated to transsexualism.
  - Robert Eads was refused treatment by over 24 doctors.

- Some insurers claim that unrelated conditions are related.
Common acronyms

**FTM** - Female to Male

**GID** - Gender Identity Disorder

**HBIGDA** - Harry Benjamin International Gender Dysphoria Association

**MTF** - Male to Female

**SOC** - HBIGDA Standards of Care

**SRS** - Sex Reassignment Surgery

**THB** - Transgender Health Benefits

**Resources**

<table>
<thead>
<tr>
<th>Resource</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transgender at Work</td>
<td><a href="http://www.tgender.net/taw">www.tgender.net/taw</a></td>
</tr>
<tr>
<td>Female To Male International</td>
<td><a href="http://www.ftmi.org">www.ftmi.org</a></td>
</tr>
<tr>
<td>Gender Public Advocacy Coalition</td>
<td><a href="http://www.gpac.org">www.gpac.org</a></td>
</tr>
<tr>
<td>Human Rights Campaign Worknet</td>
<td><a href="http://www.hrc.org/worknet">www.hrc.org/worknet</a></td>
</tr>
<tr>
<td>International Foundation for Gender Education</td>
<td><a href="http://www.ifge.org">www.ifge.org</a></td>
</tr>
<tr>
<td>Intersex Society of North America</td>
<td><a href="http://www.isna.org">www.isna.org</a></td>
</tr>
<tr>
<td>National Center for Transgender Equality</td>
<td><a href="http://www.nctequality.org">www.nctequality.org</a></td>
</tr>
<tr>
<td>National Gay and Lesbian Task Force</td>
<td><a href="http://www.thetaskforce.org/ourprojects/ctrp">www.thetaskforce.org/ourprojects/ctrp</a></td>
</tr>
<tr>
<td>National Transgender Advocacy Coalition</td>
<td><a href="http://www.ntac.org">www.ntac.org</a></td>
</tr>
<tr>
<td>Transgender Law and Policy Institute</td>
<td><a href="http://www.transgenderlaw.org">www.transgenderlaw.org</a></td>
</tr>
<tr>
<td>Transgender Legal</td>
<td><a href="http://www.transgenderlegal.com">www.transgenderlegal.com</a></td>
</tr>
</tbody>
</table>

**Medically Necessary or Cosmetic Surgery?**

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Necessary</th>
<th>Cosmetic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mental Health</td>
<td>Therapy to diagnose GID and manage the transition process</td>
<td></td>
</tr>
<tr>
<td>Hormones</td>
<td>Prescription drugs (estrogen, progesterone, testosterone, etc)</td>
<td></td>
</tr>
<tr>
<td>Doctors visits to support hormones</td>
<td>Office visits to write prescriptions and do lab tests on blood</td>
<td></td>
</tr>
<tr>
<td>Orchidectomy</td>
<td>Surgical removal of the testicles</td>
<td></td>
</tr>
<tr>
<td>Penectomy</td>
<td>Surgical removal of the tissue inside the penis</td>
<td></td>
</tr>
<tr>
<td>Vaginaplasty</td>
<td>Surgical formation of the vagina</td>
<td></td>
</tr>
<tr>
<td>Labiaplasty</td>
<td>Surgical formation of the labia</td>
<td></td>
</tr>
<tr>
<td>Mastectomy</td>
<td>Surgical removal of the breasts</td>
<td></td>
</tr>
<tr>
<td>Hysterectomy</td>
<td>Surgical removal of the uterus and ovaries</td>
<td></td>
</tr>
<tr>
<td>Metoidioplasty</td>
<td>Surgical release/repositioning of the clitoris</td>
<td></td>
</tr>
<tr>
<td>Phalloplasty</td>
<td>Surgical formation of the penis and testicles</td>
<td></td>
</tr>
<tr>
<td>Electrolysis</td>
<td>Permanent removal of facial hair</td>
<td></td>
</tr>
<tr>
<td>Speech therapy</td>
<td>Therapy to make the voice sound more feminine</td>
<td></td>
</tr>
<tr>
<td>Breast augmentation surgery</td>
<td>Surgical enlargement of the breasts</td>
<td></td>
</tr>
<tr>
<td>Facial surgery</td>
<td>Surgical reshaping of the face to be more feminine or masculine</td>
<td></td>
</tr>
<tr>
<td>Voice surgery</td>
<td>Tightening of the vocal chords to raise the pitch of the voice</td>
<td></td>
</tr>
</tbody>
</table>
Gender Bender
A person who presents elements of both masculine and feminine appearance without trying to pass as the opposite sex. Examples include a man in a skirt, or with painted nails, styled hair, or dangling earrings, a woman in jacket and tie, or in a tuxedo, or a short masculine haircut or bound breasts. A gender bender is expressing how they are most comfortable.

Gender Characteristic
The physical attributes of a person, as they relate to the traditional stereotypes of "man" or "woman" and "male" or "female", usually applied to intersexual persons. Gender characteristics include height, body shape, deepness of voice, body hair, and also include biological sex differentiations like genotype, hormonal metabolism and genitals. Protection of gender characteristics means that a person will not be treated differently if their gender characteristics do not match those traditional for their sex. Examples include a short man, a woman with facial hair, a person whose genotype does not match their assigned sex, (e.g. a woman who is not genetically XX,) or a person with ambiguous genitals. (See http://www.isna.org/ for more information about intersexuality.)

Gender Expression
The external presentation or appearance of a person, as it relates to the traditional stereotypes of "man" (or "boy") and "woman" (or "girl"). A person's gender expression includes appearance, dress, mannerisms, speech patterns, hair style, and social interactions. Protection of gender expressions means that any gender expression that is acceptable for one sex is also acceptable for the other sex.

Gender Identity
The internal feeling that all of us have of being a man or a woman. In the case of transsexuals, the feeling of identity or belonging is not compatible with the sex assigned at birth. The gender identity of a crossdresser is somewhere between the endpoints "man" and "woman", and may move back and forth.

Gender Roles
Societal expectations of how we are supposed to appear and behave depending on one's being male or female. One of the most explicit social rules is that one is expected to present oneself in public in a manner consistent with one's sex, and that presentation is to be unambiguous.

Gender Variance
The degree to which a person's gender expression, or gender identity, or gender characteristics is different from cultural expectations. A gender variant person is one whose gender variance is high enough for them to be harassed or discriminated against.

Intersex
A person for whom the process of biological sex differentiation has resulted in a genital phenotype which is culturally unacceptable. The term often implies a medical history of intersexuality and is preferable to the outmoded term Hermaphrodite.

Prevalence
The ratio of number of people with a given condition at a given time to the total population

Sex Characteristics
Another term for Gender Characteristics. Some intersex individuals draw a distinction between gender characteristics (visible physical attributes of a person) and sex characteristics (biological sex differentiations.) Usually both types of characteristics are included under the term gender characteristics.

Transgender
A term that is used to refer to the entire community of individuals whose sex is not entirely congruent with their gender identity. This includes the entire range from the occasional, recreational crossdresser to the transsexual. This term is also used to describe non-operative transsexuals, intersexuals, feminine males, masculine females, or anyone who crosses the line outside the "man" or "woman" boxes expected by society.

Transgendered
Not to be confused with "transgender" or "transgendered". A transgendered is a person who lives full-time or nearly full-time in the opposite gender from their birth sex, but does not desire surgery. Also called a non-operative transsexual. Sometimes the term "transgendered" has been used to describe what this glossary calls a bi-gendered person. (5 on the Benjamin gender scale.)

Transsexual
A person who desires to permanently live as the opposite sex from their birth sex. This person may choose to have sex reassignment surgery. See "SRS." (6 or 7 on the Benjamin scale. 6 refers to a pre-operative transsexual, and in some scales, 7 refers to a post-operative transsexual.)