



Congress OKs Age Discrimination in Health Care Reform

In Washington, a group of leading advocates for older Americans is urging Congress to eliminate age rating provisions. Right now, proposals range from allowing insurance companies to charge anywhere from double (2:1) to 5 times (5:1) as much for coverage to someone just because of age. This process is known as age rating, and it's the only form of discrimination being built into health care "reform."

Some aging advocates, particularly some big name groups, are telling Congress that they think 5:1 age rating is too high, but that 2:1 is okay. They argue that even 5:1 is better than the status quo, where there are no limits in most places. A policy that is just a little less discriminatory is still discriminatory, and OWL is making sure Congress knows that age discrimination is not okay.

Health insurance works on the premise of pooled resources. Large numbers of people pay into a pot month after month, year after year while they are healthy so that they can see a doctor when they need to, both for regular checkups and more serious issues, and pay only a fraction of the cost for those visits and treatments. Right now, health insurance companies use complicated formulas to determine what they will charge you per month for this coverage, and what they will cover or not. Some factors are gender, medical history, where you live, whether or not you smoke or exercise, and age. In the reform process, Congress has gotten rid of most of these factors, but age is still on the table.

What you need to know about AGE RATING:

It's not just for the old: Age rating could apply at any age. If insurers wanted to charge 25-34 year olds more because it's a period when many women start families, incurring high pre-natal, pregnancy and delivery costs, they can, up to the defined limit. If they determine that many people diagnosed with cancer are over 40, and therefore want to charge that group more, up to the defined limit, they can. In fact, if they want to charge one group a lowest level premium, say those 18-18.5 years old, and everyone else two to five times more, up to the defined limit, they can.

Discrimination plain and simple. Age is something none of us has any control over. We can't diet or quit aging or exercise those pesky extra few years away. But we can face the financial penalty of increased health insurance premiums for it. But a good diet, a healthy lifestyle, and an exercise regimen, while keeping you healthier (and less costly to the insurance company), won't make your rate any lower. This is because Congress has said that it's not ok to charge people different premiums because of pre-existing conditions (like having had children, or an ovarian cyst removed a few years back, or having been treated for depression), health status (like diabetes, heart disease or pregnancy), or gender. All of this is good. Congress has gotten this part right. But going that far and then giving the go-ahead on age discrimination is wrong. And in the end, it has the same punitive effect as the ratings Congress is trying to get rid of – charging people more because of their history. If Congress can do the right thing for all

these other pieces, why not eliminate such a discriminatory practice as age rating too? Congress should not be legislating discrimination into health care access and affordability.

A favor to private insurance companies. Age rating is nothing more than a loophole to allow insurers to charge people higher premiums and make up the money they will lose by agreeing to eliminating health status, pre-existing condition, and gender rate bands.

Community Rating. True community rating, where everyone in a given area pays the same amount, in the same vein as the way Social Security and Medicare are funded through tax revenue, with promised subsidies for low-income individuals and families, would create a structure of affordable health care for everyone, regardless of age, gender, pre-existing conditions, or health status.

Low-income subsidies. Some people want you to believe that community rating will cost more for young people, and so we can't do it. This claim relies on a few faulty assumptions: First, that older Americans make more money than young Americans. We all think and hope and plan for this to be true, but it just isn't. Second, that age rating will only result in higher premiums for older Americans. But insurers will be able to charge more to anyone, at any age. Finally, since Congress plans to provide subsidies to help low-income Americans purchase mandatory health insurance, people who need help will get some help, regardless of age.

So, would you like your discrimination now or later? Tell your Senators and Representative how you feel about this issue! Call the Capitol Switchboard at 202-224-3121 to be connected to your elected officials, and Say No to Age Rating!