

HJR 2, JOINT RESOLUTION FOR GENDER REASSIGNMENT SURGICAL BENEFITS, (Hayes, S)

Anticipated Fiscal Impact: \$471,829 or .12% increase in premium for Fiscal Year 2025

Summary:

Currently the State Employee Health Plan covers therapy and medication for gender dysphoria but not gender reassignment surgery. HJR 2 would add coverage for gender reassignment surgical benefits for adults to the State Employee Health Plan.

When PEHP has been asked by other participating employers to price gender reassignment surgical benefits, PEHP has charged .09% of premium as the expected ongoing costs plus an extra amount at the beginning of adding this benefit for anticipated pent up demand.

This premium increase is consistent with PEHP's original actuarial research and limited experience in providing this benefit, and it also comes within the perimeters of national data on the prevalence of gender confirming surgery.

An increase of .09% for the State Employee Health Plan would equate to \$353,872. To that, PEHP would add .03% or \$117,957 for anticipated pent up demand. For a total of \$471,829 anticipated for FY 2025. In the second year we would expect the pent-up demand to decrease to .015% and following years we would have enough experience to price the benefit as used.

This amount is an estimate of what we would expect with the onboarding of the benefit. We would not expect for costs to be the same from year to year, but we would expect some variance given the potential range of costs and number of surgeries that may be involved for a particular individual. Some individuals may undergo a single surgery for as little as a total cost of \$10,000. Others may undergo multiple surgeries at total cost that could potentially exceed \$100,000. Total costs may also increase over time as

teens and young adults who identify as transgender at higher rates reach adulthood and become eligible for the benefit.