Testimony in Support of SB 682
Maryland Medical Assistance Program – Gender-Affirming Treatment
Trans Health Equity Act of 2022
Senate Finance Committee
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Dear Chair Kelley and Members of the Committee:

Thank you for the opportunity to testify in support of Senate Bill 682.

I am the Executive Director of Whitman-Walker Institute, which is the research, policy, and education arm of Whitman-Walker, a Federally Qualified Community Health Center based in Washington, DC. We serve 20,000 patients per year from across the Washington metropolitan area, of whom almost 20% come from Maryland.

I am a health services researcher trained at the Johns Hopkins School of Public Health in Baltimore, where I received my PhD from the Department of Health Policy and Management. My research focuses on transgender population health, with a particular emphasis on the economic and legal elements of coverage for gender-affirming care. For the last decade, I have worked with Medicaid programs in more than a dozen states, including Maryland, to ensure that transgender people can access the gender-affirming services that are medically necessary for their health and well-being.

Parity in coverage of medically necessary treatments prescribed by clinicians for different indications, following expert standards of care, is a well-established principle in the Medicaid program.[1] Gender-affirming care is routinely provided by clinicians and covered by insurers for a variety of indications, which may be met by transgender and cisgender people alike: medically necessary reconstructive breast and chest surgeries, for instance, are performed for cisgender and transgender people of all genders.[2] Abdominoplasty is a common intervention for people who have had bariatric surgery,[3] while puberty delay medications were first prescribed to treat precocious puberty in non-transgender children.[4] The provision of gender-affirming clinical services to transgender people is guided by the expert standards laid out by the World Professional Association for Transgender Health, which has maintained these standards continuously since 1979.[5]

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[1] § 440.230(c) of the Federal Medicaid statute provides that "the Medicaid agency may not arbitrarily deny or reduce the amount, duration, or scope of a required service under §§ 440.210 and 440.220 to an otherwise eligible beneficiary solely because of the diagnosis, type of illness, or condition."

[2] American Society of Plastic Surgeons. (2020). ASPS Recommended Insurance Coverage Criteria for Third-Party Payers: Breast Reconstruction for Deformities Unrelated to Cancer Treatment. https://www.plasticsurgery.org/Documents/Health-Policy/Reimbursement/insurance-2018-breast-reconstruction-deformities.pdf

[3] Ngaage, L. M., Elegbede, A., Pace, L., Rosen, C., Tannouri, S., Rada, E. M., Kligman, M. D., & Rasko, Y. M. (2020). Review of Insurance Coverage for Abdominal Contouring Procedures in the Postbariatric Population. *Plastic and Reconstructive Surgery*, *145*(2), 545–554. https://doi.org/10.1097/PRS.0000000000006513

[4] T'Sjoen, G., Arcelus, J., Gooren, L., Klink, D. T., & Tangpricha, V. (2019). Endocrinology of Transgender Medicine. *Endocrine Reviews*, *40*(1), 97–117. https://doi.org/10.1210/er.2018-00011

[5] Coleman, E., Bockting, W., Botzer, M., et al. (2012). Standards of Care for the Health of Transsexual, Transgender, and Gender-Nonconforming People, Version 7. *International Journal of Transgenderism*, *13*(4), 165–232. https://doi.org/10.1080/15532739.2011.700873

Evidence indicates that insurance coverage of gender-affirming care for transgender people is low-cost and highly cost-effective. A California Department of Insurance assessment of a state law that broadly prohibited insurance discrimination against transgender beneficiaries, for instance, found that impacts on premium costs were "immaterial" and that "the benefits of eliminating discrimination far exceed the insignificant costs."[6] An economic model evaluating the cost-effectiveness of care for transgender men that included hormone replacement therapy, mastectomy, abdominoplasty, hysterectomy, genital reconstruction, and other services determined the incremental cost-effectiveness ratio (ICER) of these services to be less than $8,000 per quality-adjusted life year (QALY) gained over a ten-year time horizon.[7] This is far below a typical "willingness to pay" threshold of $100,000 per QALY.[8] This study also found that, on a per member per month (PMPM) basis, coverage of surgical and other services for transgender men and women together cost just $0.016. My own recent research indicates that each covered transgender person in a national commercial insurance database incurred an average of less than $1,800 in costs per year for gender-affirming hormone therapy (including puberty delay medications) and surgeries (including facial feminization surgeries) combined (Baker, unpublished data). Considered on a PMPM basis, the budget impact of covering gender-affirming care was $0.73 per year, or $0.06 PMPM. Similarly, an actuarial assessment conducted for the North Carolina State Health Plan estimated a PMPM cost range of $0.06-$0.15.[9]

As evidence has mounted that eliminating discrimination against transgender people in insurance coverage has both moral and economic advantages, many Medicaid programs have taken steps to fulfill their historical imperative to cover medically necessary care without diagnosis- or condition-based restrictions.[10] Maryland became one of the early leaders in this area by removing its blanket exclusion of gender-affirming care in 2015. In the last several years, however, as the field of transgender medicine has continued to advance, it has become apparent that further clarification is needed of the appropriate scope of coverage for gender-affirming care.[11]

In Washington State, for instance, legislators enacted reforms to the state's Medicaid program in 2021 to clarify coverage of a broad range of "surgical and ancillary services," as well as puberty-delay medications, for transgender people.[12] The legislation indicates that the list of covered services is not exhaustive and requires that a "health care provider with experience prescribing and/or delivering gender-affirming treatment must review and confirm the appropriateness of any adverse benefit

[6] State of California Department of Insurance. (2012). Economic Impact Assessment: Gender Nondiscrimination in Health Insurance. http://transgenderlawcenter.org/wp-content/uploads/2013/04/Economic-Impact-Assessment-Gender-Nondiscrimination-In-Health-Insurance.pdf

[7] Padula, W. V., Heru, S., & Campbell, J. D. (2016). Societal Implications of Health Insurance Coverage for Medically Necessary Services in the U.S. Transgender Population: A Cost-Effectiveness Analysis. *Journal of General Internal Medicine*, *31*(4), 394–401. https://doi.org/10.1007/s11606-015-3529-6

[8] Cameron, D., Ubels, J., & Norström, F. (2018). On what basis are medical cost-effectiveness thresholds set? Clashing opinions and an absence of data: a systematic review. *Global health action*, *11*(1), 1447828. https://doi.org/10.1080/16549716.2018.1447828

[9] Schatten, K. R., & Viera, K. C. (2016). Memorandum to Mona Moon, Administrator, North Carolina State Health Plan, re: Transgender Cost Estimate. https://www.shpnc.org/media/22/download

[10] Baker, K. E. (2017). The Future of Transgender Coverage. *New England Journal of Medicine*, *376*(19), 1801–1804. https://doi.org/10.1056/NEJMp1702427

[11] Zaliznyak, M., Jung, E. E., Bresee, C., & Garcia, M. M. (2021). Which U.S. States' Medicaid Programs Provide Coverage for Gender-Affirming Hormone Therapy and Gender-Affirming Genital Surgery for Transgender Patients?: A State-by-State Review, and a Study Detailing the Patient Experience to Confirm Coverage of Services. *The Journal of Sexual Medicine*, *18*(2), 410–422. https://doi.org/10.1016/j.jsxm.2020.11.016

[12] Washington State Legislature. SB 5313 (2021-2022). https://app.leg.wa.gov/billsummary?BillNumber=5313&Initiative=false&Year=2021

determination."[13] The law also directs the insurance commissioner, in consultation with the Medicaid agency, to issue a report on geographic access to gender-affirming treatment across the state and estimates a minimal annual burden of time and cost to produce this report. This report, like that envisioned by SB 682, is essential given the difficulty transgender people often face in accessing providers willing and able to serve them.[14]

Colorado recently took a similar step through its Essential Health Benefit (EHB) program.[15] With approval from the Federal Centers for Medicare & Medicaid Services, EHB plans in the state are now required to cover the following procedures, at a minimum, for transgender people:[16]

1. Blepharoplasty (eye and lid modification)
2. Face/forehead and/or neck tightening
3. Facial bone remodeling for facial feminization
4. Genioplasty (chin width reduction)
5. Rhytidectomy (cheek, chin, and neck)
6. Cheek, chin, and nose implants
7. Lip lift/augmentation
8. Mandibular angle augmentation/creation/reduction (jaw)
9. Orbital recontouring
10. Rhinoplasty (nose reshaping)
11. Laser or electrolysis hair removal
12. Breast/Chest Augmentation, Reconstruction

An actuarial analysis commissioned by the state to assess the cost of these procedures estimated that their long-term steady state cost will be 0.04% of total allowed claims.[17]

Maryland has previously been a nationwide leader in helping to ensure that transgender people can access the health care they need. Maryland's commitment to the health and wellbeing of its Medicaid population is particularly laudable, given that gender-affirming care is not expensive when considered from a payer or societal perspective but can easily be beyond the individual reach of transgender people who rely on Medicaid. Such communal assistance to individuals in need reflects the fundamental social compact of the Medicaid program, and clarifying that Medicaid supports transgender Marylanders in seeking essential health care services is both a moral and economic imperative. I strongly urge you to support SB 682.

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[13] Washington State Healthcare Authority. (2022). Transhealth Program. https://www.hca.wa.gov/billers-providers-partners/programs-and-services/transhealth-program

[14] Terris-Feldman, A., Chen, A., Poudrier, G., & Garcia, M. (2020). How Accessible Is Genital Gender-Affirming Surgery for Transgender Patients With Commercial and Public Health Insurance in the United States? Results of a Patient-Modeled Search for Services and a Survey of Providers. *Sexual medicine*, *8*(4), 664–672. https://doi.org/10.1016/j.esxm.2020.08.005

[15] Keith, K. (2021). Unpacking Colorado's New Guidance on Transgender Health. https://www.commonwealthfund.org/blog/2021/unpacking-colorados-new-guidance-transgender-health

[16] Colorado Benchmark Plan for 2023: https://drive.google.com/file/d/1IFH38vhQyJNyn_cE5upNQ_jfTw8HoSQG/view?usp=sharing

[17] Wakely Consulting Group, LLC. (2021). Benchmark Plan Benefit Valuation Report: Report to the State of Colorado Division of Insurance. https://drive.google.com/file/d/1rTeY63imbtlmFIzFHerSeyfHKE6hZSN8/view?usp=sharing

Thank you for your time and consideration.

Sincerely Yours,

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