

[Age Discrimination and Health Care Reform](#)

By NCPSSM | November 24, 2009



Guest Contributors: Carroll Estes, Ph.D., Peter Arno, PH.D. and Deborah Viola, Ph.D.

The health care reform bills now before Congress contain an unpleasant surprise for older Americans: Age-based increases in health insurance premiums for those under 65. This is nothing more than a giveaway to the private insurance industry.

At first blush, it might appear that this is justified assuming that as we age, we cost the health care system more. In fact, age is far from an entirely reliable predictor of health care costs, accounting for less than 20% of the variation in costs across age groups. A healthy 55-year-old may well consume fewer health care dollars than a 35-year-old who is obese or has diabetes.

Both the [House](#) and [Senate](#) bills include provisions to eliminate pre-existing condition clauses, which clearly serve the public interest. Permitting premiums to rise with age contradicts the intent, if not the letter, of that regulation as aging can reasonably be considered an immutable, pre-existing condition. Moreover, the new regulation disproportionately affects Americans between 55 and 64, who already shoulder a financial burden for health care that is higher than any other age group, regardless of insurance status.

The current House bill would allow someone 55 or older to pay premiums that are twice as high as a young enrollee (a 2:1 age rating). The Senate agreed to a 3:1 age rating, which would allow premiums to be three

times higher for older people. In a recent briefing, Karen Ignagni, head of the American Health Insurance Plans that represents private health insurers, called for a 5:1 age rating.

Here's a question for policymakers and the public to consider: Will the proposed age-rating of premiums, coupled with the absence of a robust, affordable public option, push more older Americans into the pool of people unable to afford health coverage?

This is not just a numbers game. There is both a human and financial toll to be paid. A recent [Harvard study](#) published in the American Journal of Public Health found that American adults under 65 who lack health insurance have a 40 percent higher risk of death than those who have coverage. Ailing and uninsured people in their 50s and 60s will likely add to the strain on Medicare's budget as they seek care for neglected health problems as soon as they become eligible for this entitlement.

Americans need to seriously consider the implications of stealth budgetary techniques, such as discriminatory, age-related premiums. The private insurance industry stands to make big profits from the millions of new customers it will pick up through health care reform. Adding to its bounty by putting the squeeze on the finances of older Americans is not only unjust, it is poor economic policy.

Carroll Estes, Ph.D., *Chair of the Board of Directors, National Committee to Preserve Social Security and Medicare Professor and Founding Director Institute for Health & Aging University of California, San Francisco*

Peter Arno, Ph.D., *Professor & Director, Doctoral Program, Department of Health Policy and Management School of Health Sciences and Practice New York Medical College Valhalla, NY*

Deborah Viola, Ph.D., *Associate Professor, Department of Health Policy & Management New York Medical College School of Health Sciences & Practice Valhalla, New York*

Available at: <http://www.ncpssm.org/entitledtoknow/?p=822>