



Transgender Policy Could Cost Military Billions Over Ten Years

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On July 1, 2016, without any systematic study of the consequences, the Obama administration reversed longstanding policies that excluded those who identify as transgender from serving in the U.S. military on both psychological and medical grounds.¹ As of that date, the armed services stopped discharging existing service members who suffer from gender dysphoria (unhappiness with their biological sex at birth) or who seek gender reassignment surgery, and as of October 1, 2016, began providing medical services to aid in their “transition” to living as the opposite gender.

Phase 2 of this policy – allowing persons who identify as transgender to join the military – was scheduled to take effect on July 1, 2017. Just hours before this deadline, the Department of Defense announced a six-month delay in implementation of this policy.² On July 13, 2017, Rep. Vicky Hartzler (R-Mo.) introduced an amendment to the National Defense Authorization Act (NDAA) which would prohibit the military from paying for gender reassignment surgery or hormone therapy for service members,³ but the amendment was narrowly defeated, 209-214, with 24 Republicans joining the opposition.⁴ However, the Trump administration still has the power to reverse Phase 1 and/or permanently foreclose implementation of Phase 2 of the Obama policy.

Family Research Council has concerns about the psychological fitness of persons who identify as transgender to serve (because of high levels of psychopathology within that population⁵), and about the effect of allowing people to present themselves as the opposite of their biological sex on good order and discipline, readiness, recruitment, and retention.⁶ However, in addition to these concerns, there are specific costs that will be associated with allowing people who identify as transgender to serve, such as particular medical issues associated with the practices of gender reassignment surgery and hormone replacement therapy.

It is difficult to estimate these costs due to numerous unanswered questions. For example, we cannot know with certainty how many persons suffering with gender dysphoria are already in the military; how many will seek a military career as a result of the change of policy; or what percentage of those will seek hormone therapy, gender reassignment surgery, or other related medical or surgical procedures.

The RAND Corporation undertook an analysis of this question in 2016, and came up with a broad-range estimate that the health-related costs of gender transition would total between \$2.4 million and \$8.4 million annually (i.e., between \$24 million and \$84 million over ten years). However, these estimates were drawn from actuarial data based on the estimated increase in insurance premiums for private employers who adopted coverage for gender transition.⁷ Since the military pays for the health care of active duty service members directly, it is more logical to look at the direct costs of such procedures. In addition, the RAND study made estimates of lost time due to recovery from gender reassignment surgery, but placed no dollar value on this indirect, but very real cost to the armed forces.⁸

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Family Research Council has now undertaken its own analysis of the potential costs of permitting people who identify as transgender to serve in the military, and has concluded they could total as much as \$1.9 to \$3.7 *billion* (not million, as in the RAND study) over the next ten years. This total includes both direct medical costs and the cost of potential lost time of deployable service. (The additional administrative costs of preparing and overseeing individualized care plans for each service member who identifies as transgender, the costs of training the entire force regarding the new policy, and the loss of time associated with that training, have *not* been included in these estimates.)

Medical Costs – Existing Active Duty Service Members

Many of the assumptions made in the FRC analysis are drawn from pro-LGBT sources. For example, we accepted the estimate of the Williams Institute, a pro-LGBT think tank, that there are currently 7,300 biological males and 1,500 biological females with gender dysphoria serving on active duty in the military.⁹ (This analysis omits any consideration of reserve forces, because they do not receive all their health care at military expense the way those on active duty do.¹⁰)

Although some sources estimate that only about a third of those who identify as transgender actually seek gender reassignment surgery,¹¹ a large part of the reason is because of the high cost and the fact that it is often not covered by insurance. Under the military's new policy, however, all eligible service members will receive 100 percent of their "necessary" care at no cost to themselves, so the percent seeking such surgery is likely to be higher.¹ Again, we relied on the National Transgender Discrimination Survey to calculate the percentage of people in the general population who either have had or wish to have the average surgical intervention, and concluded it is 82 percent of biological males who identify as female and 64 percent of biological females who identify as male.¹²

We then multiplied the number likely to seek surgery by the cost of such surgery. The Philadelphia Center for Transgender Surgery has published one of the most comprehensive lists of different surgical options and their prices, including the cost of hospitalization and anesthesia.¹³ FRC has calculated that a comprehensive package of male-to-female surgical procedures would cost \$110,450, and female-to-male procedures would cost \$89,050.¹⁴ Multiplying these figures results in an estimate that the military would pay \$746.6 million for surgery alone for active duty service members.

However, surgery is not the only cost associated with medical "gender transition." The website CostHelper.com has estimated some of these costs. For example, the cost of counseling just in the year prior to surgery can run as high as \$5,000, and hormone therapy in the year before surgery can cost as much as \$2,400.¹⁵ Adding these to the actual surgical costs results in a total expense of over \$800 million.

Following surgery, those who have undergone gender reassignment require ongoing hormone therapy. (In addition, some individuals who identify as transgender seek hormone treatments even if they opt not to have surgery. This paper, however, includes dollar estimates of hormone therapy only for those who also undergo surgery, so the actual costs of hormone therapy are likely even higher.) This *hormone treatment is required indefinitely*, and can cost as much as \$200 a month.¹⁶ Assuming that it will take at least a year before current service members can complete reassignment surgery, the cost of post-surgical

¹ It is also possible that fewer of those who identify as transgender will seek surgery for their condition, or that they will choose fewer of the surgical options available, bringing down the costs. For example, surgery to make the face appear more feminine or more masculine represents a large part of the estimated surgical costs in this paper, but may be viewed by some as less important than "top" (breast) or "bottom" (genital) surgery. On the other hand, it is possible that the demand created by the military's offer of free surgery to its members will drive up prices, resulting in even higher costs.

hormone treatments for the following nine years would lead to a total cost of medical interventions for current active duty service members of nearly \$1 billion (\$969.2 million).²

Cost of Time Lost

In addition to the direct costs of medical care, the military will also incur indirect costs due to the time lost by service members who are temporarily disabled or unable to be deployed due to preparation for, or recovery from, surgery and/or hormone treatments.

The RAND study estimated recovery time for a common type of male-to-female transitional surgery, desired by 86 percent of those who identify as transgender, at 135 nondeployable days. Recovery from a hysterectomy (desired by 79 percent of those who desire a female-to-male transition) is estimated at 111 days.¹⁷ The monetary cost of this time lost involves the cost of recruiting and paying other service members who will take the place of the individual on leave. According to the website Veterans United, the Congressional Budget Office projected a per-person total personnel cost for Fiscal Year 2017 that averages \$170,000 a year.¹⁸ Applied to the lost time from surgery, this cost would be \$504.3 million.

It is also important to note, however, that a strong argument can be made that persons who have had gender reassignment surgery or who receive ongoing hormone treatment should be considered *permanently* non-deployable, because they require specialized medical care and drug therapies on an ongoing basis, which may not be available everywhere our armed forces are deployed.³ In that case, the cost of lost time due to non-deployability could be far *greater* than that calculated for this paper.

10-Year Cost for New Recruits Who Identify as Transgender

Assuming that the Obama policy of allowing the accession into the military of persons who have already undergone gender transition takes effect in July 2017 as scheduled, it is also necessary to estimate the costs for these new service members who identify as transgender. Since some of them will have already undergone gender reassignment surgery (something not true of those already on active duty as of July 2016, since it would have resulted in their discharge), the percentage of these new recruits who seek to have the military pay for surgery might be expected to be lower than the percentage among those already on active duty.¹⁹ However, it is also possible that the promise of free medical care, including reassignment surgery, may act as a magnet drawing even more people who identify as transgender to enlist.

² Some individuals who undergo gender transition incur additional expenses, such as electrolysis (hair removal) and voice therapy, or vocal surgery, which have not been included in the total cost calculated in this paper. For example, one source reports that the cost of electrolysis can be as high as \$16,000 per person. If the military covers these procedures, the cost to the taxpayer could be even higher than the estimates here. See: "How much will TS hair removal cost?" Trans Road Map; accessed June 26, 2017, <http://www.tsroadmap.com/physical/hair/zapcost.html>.

³ In a 1987 court case which unsuccessfully challenged the military's exclusion of service members who identified as transgender, a urology consultant to the Air Force Surgeon General pointed out that deployability is defined as the ability "to reasonably fulfill the purpose of his or her employment on active duty without geographic restrictions." He warned, however, that assigning service members who identify as transgender to some geographically remote posts "would be equivalent to placing an individual with known coronary artery disease in a remote location without readily available coronary care." The U.S. Court of Appeals for the Ninth Circuit agreed, ruling that "all evaluatees in this category have potential health problems which may require medical care and maintenance not available at all potential places of assignment." See: *Leyland v. Orr*, 828 F.2d 584 (1987 U.S. App. LEXIS 12579), U.S. Court of Appeals for the Ninth Circuit, September 23, 1987, pp. 585-86.

Assuming a steady flow of about 100,000 total new recruits per year,²⁰ FRC calculates that the direct medical costs for recruits who identify as transgender will total \$276 million over ten years, and the cost of lost time for those recruits will be \$416 million.

Potential of One Year Leave for “Real Life Experience”

The Pentagon faced a dilemma in crafting a policy for “gender transition” of active duty service members. Standards of care established by the World Professional Association for Transgender Health (WPATH) require a year of “living in a gender role that is congruent with their gender identity” *before* surgery (what is known as “Real Life Experience,” or RLE);²¹ the military did not wish to allow a change in the service member’s “gender marker” until *after* any planned surgery is completed; yet military dress codes do not allow a service member to live in the target gender until after the gender marker has been changed. The DoD Instruction issued June 30, 2016 said that therefore, “consistent application of military standards will normally require that RLE occur in an off-duty status and away from the Service member’s place of duty.”²² When the DoD issued a more detailed “Implementation Handbook” on September 30, 2016, they explained that this requirement could be met in two ways – by taking “extended leave,” or by splitting the day and living as their birth sex during work hours and as their “gender identity” during off-duty hours. (It is hard to see how the latter could be consistent with the WPATH guidelines for “12 *continuous* months” (emphasis added) of RLE, but the Handbook makes clear that both are “voluntary options.”)²³

Since the military lifestyle is unique and has no direct analogy in the civilian world, there is no way to even estimate how many service members would choose a year of leave, and how many would choose to “live a double life.”²⁴ However, if every service member who wishes to undergo a gender transition (with or without surgery) were to take a year of leave, the cost of this lost time could dwarf that of the actual time lost to surgery, totaling nearly \$1.8 billion, for existing service members and new recruits, over ten years. Although we assume that this leave will not be at full pay, it is likely that it will involve continued medical care and a small stipend, comparable to that offered as part of another voluntary leave program, the Career Intermission Pilot Program. The Government Accountability Office recently estimated the cost of this program at \$25,000 per participant over 3 years.²⁵ Adjusting that for a one-year leave yields an estimate that those taking leave for the “real life experience” could still incur direct costs of about \$87 million.

Conclusion

Adding all of these costs – for both existing service members and those who will join the military in the next ten years, and for both direct medical costs and the cost of lost time due to surgery – yields a total estimated cost for the new transgender policy of nearly \$2 billion (\$1.88 billion) over ten years. If all service members who undertake a “gender transition” in the military chose to take one year of leave for “real life experience,” the lost time would drive the total cost of the military’s transgender policy to \$3.7 billion over ten years.⁴

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⁴ This paper has made no attempt to account for inflation. All of the estimates offered are in constant 2017 dollars, and therefore with inflation, actual outlays over the next ten years are likely to be even higher than these estimates.

Endnotes

- ¹ “Department of Defense Press Briefing by Secretary Carter on Transgender Service Policies,” June 30, 2016; <http://www.defense.gov/News/Transcripts/Transcript-View/Article/822347/departments-of-defense-press-briefing-by-secretary-carter-on-transgender-service>
- ² “More time allowed for review of new transgender enlistments,” Fox News, July 1, 2017, accessed July 24, 2017, <http://www.foxnews.com/us/2017/07/01/more-time-allowed-for-review-new-transgender-enlistments.html>.
- ³ Richard Lardner, “House rejects attempt to ban transgender surgery for troops,” Associated Press, July 13, 2017, accessed July 24, 2017, https://www.washingtonpost.com/politics/congress/house-to-consider-banning-transgender-surgery-for-troops/2017/07/13/f81663ca-67ef-11e7-94ab-5b1f0ff459df_story.html?utm_term=.1a88736a3c48.
- ⁴ “Final Vote Results for Roll Call 369,” House.gov, July 13, 2017, accessed July 24, 2017, <http://clerk.house.gov/evs/2017/roll369.xml>.
- ⁵ For example, see: Cecilia Dhejne, et al., “Long-Term Follow-Up of Transsexual Persons Undergoing Sex Reassignment Surgery: Cohort Study in Sweden,” *PLOS ONE* 6 (2): e16885, accessed July 24, 2017, <https://doi.org/10.1371/journal.pone.0016885>.
- ⁶ For example, a court in 1988 ruled that cross-dressing on a military installation would “virtually always be prejudicial to good order and discipline and discrediting to the Armed Forces.” *United States v. Davis*, 26 M.J. 445 (C.M.A.), 1988; cited in Tarynn M. Witten, “Gender Identity and the Military - Transgender, Transsexual, and Intersex-identified Individuals in the U.S. Armed Forces,” Michael D. Palm Center, University of California, Santa Barbara, February 2007, p. 13, <http://www.palmcenter.org/wp-content/uploads/2007/05/TransMilitary2007.pdf>.
- ⁷ Agnes Gereben Schaefer, Radha Iyengar, Srikanth Kadiyala, Jennifer Kavanagh, Charles C. Engel, Kayla M. Williams, Amii M. Kress, “Assessing the Implications of Allowing Transgender Personnel to Serve Openly,” RAND Corporation (2016), accessed July 24, 2017, doi: 10.7249, http://www.rand.org/pubs/research_reports/RR1530.html.
- ⁸ *Ibid.*, 39-43.
- ⁹ Gary J. Gates and Jody L. Herman, “Transgender Military Service in the United States,” The Williams Institute, UCLA School of Law, May 2014, p. 4, <https://williamsinstitute.law.ucla.edu/wp-content/uploads/Transgender-Military-Service-May-2014.pdf>. It is possible that the percentage of both the general population and the military population that identifies as transgender is lower than the estimates given by pro-LGBT think tanks, in which case the costs would also be lower. However, there are also some reports that suggest that persons who identify as transgender may be represented by disproportionately large numbers in the military – in which case, the costs could be even higher than these estimates. See: Alan Zarembo, “Why do transgender people join the military in such high numbers?” *Los Angeles Times*, September 4, 2015, accessed July 24, 2017, <http://www.latimes.com/nation/la-na-transgender-military-20150904-story.html>.
- ¹⁰ The RAND study says, “We did not include reserve-component service members in our analyses, but their MHS utilization and the associated cost will be negligible, given their highly limited military health care eligibility.” Schaefer et al., “Assessing the Implications,” 33.
- ¹¹ Parker Marie Molloy, “WATCH: Debunking the ‘Surgery is a Top Priority for Trans People’ Myth,” *The Advocate*, March 13, 2014, accessed June 28, 2017, <https://www.advocate.com/politics/transgender/2014/03/13/watch-debunking-surgery-top-priority-trans-people-myth>.
- ¹² Jaime M. Grant, Ph.D., Lisa A. Mottet, J.D., Justin Tanis, D.Min., with Jack Harrison, Jody L. Herman, Ph.D., and Mara Keisling, “Injustice at Every Turn: A Report of the National Transgender Discrimination Survey,” National Center for Transgender Equality and National Gay and Lesbian Task Force, 2011, 79, http://www.thetaskforce.org/static_html/downloads/reports/reports/ntds_full.pdf.
- ¹³ “Male To Female Price List,” The Philadelphia Center for Transgender Surgery, accessed June 24, 2017, <http://www.thetransgendercenter.com/index.php/mtf-price-list.html>; “Female to Male Price List,” accessed June 24, 2017, <http://www.thetransgendercenter.com/index.php/price-list.html>.
- ¹⁴ Some sources have added up all the items on the price list and come up with a total of \$140,450 for male-to-female surgery and \$124,400 for female-to-male, See: Alyssa Jackson, “The high cost of being transgender,” CNN, July 31, 2015, accessed June 28, 2017, <http://www.cnn.com/2015/07/31/health/transgender-costs->

[irpt/index.html](#). However, a careful examination of the list shows that some of the items are alternative options rather than additives. FRC's estimate eliminates these redundancies.

¹⁵ "Sex Reassignment Surgery Cost," CostHelper Health, accessed June 24, 2017, <http://health.costhelper.com/sex-reassignment-surgery.html>.

¹⁶ Ibid.

¹⁷ Schaefer et al., "Assessing the Implications," 41.

¹⁸ Jeff Ousley, "New Report Shows Military Personnel Costs Spiraling Out of Control," *Veterans United*, August 12, 2015, accessed June 28, 2017, https://www.veteransunited.com/money/cbo-report-shows-military-personnel-costs-spiraling-out-of-control/?ss_show_review_ad=1.

¹⁹ Grant et al., "Injustice at Every Turn," 79.

²⁰ U.S. Department of Defense, "DoD Announces Recruiting, Retention Numbers Through June 2015," press release, August 4, 2015, <https://www.defense.gov/News/Article/Article/612742/dod-announces-recruiting-retention-numbers-through-june-2015/>.

²¹ "Standards of Care for the Health of Transsexual, Transgender, and Gender-Nonconforming People," *The World Professional Association for Transgender Health*, 2012, 106, http://www.wpath.org/site_page.cfm?pk_association_webpage_menu=1351.

²² "In-Service Transition for Transgender Service Members," DoD Instruction 1300.28, Office of the Under Secretary of Defense for Personnel and Readiness, June 30, 2016, https://www.defense.gov/Portals/1/features/2016/0616_policy/DoD-Instruction-1300.28.pdf.

²³ "Transgender Service in the U.S. Military: An Implementation Handbook," U. S. Department of Defense, September 30, 2016, 65-67, https://www.defense.gov/Portals/1/features/2016/0616_policy/DoDTGHandbook_093016.pdf.

²⁴ "The President, Defense Department & Military Services Should Revoke Problematic Transgender Policy Directives and Instructions," *Center for Military Readiness*, July 2017, 8, https://cmrlink.org/data/sites/85/CMRDocuments/CMR_TransgenderPolAnalysis.pdf.

²⁵ "Military Personnel: Observations on the Department of Defense's Career Intermission Pilot Program," *Government Accountability Office*, May 31, 2017, <https://www.gao.gov/products/GAO-17-623R>.