

## Poverty down in the U.S.; Utah flat

*Kirsten Stewart - The Salt Lake Tribune*

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The nation's poverty rate dropped last year, the first significant decline since President Bush took office, the Census Bureau reported Tuesday. But the number of people without health insurance continues to climb, proof that economic expansion alone won't cure America's health care woes, say advocates for reform. In 2006, 36.5 million Americans, or 12.3 percent of the population, lived in poverty. That's down from 12.6 percent in 2005, census data show.

Utah's indigent rate remained flat, hovering at 9 percent.

The median household income was \$48,200, a slight increase from the previous year. Utah's median household income edged up from \$54,813 in 2005 to \$55,179 in 2006.

It's good economic news, delivered in the thick of a contentious presidential campaign.

The last decline in overall poverty was in 2000, during the Clinton administration.

But less favorable data on the uninsured promises to be the real debate driver in coming months, say advocates.

The share of Utahns going without health coverage hit 17.4 percent in 2006, or 442,000 people.

That's almost a 1 percent bump over 2005. Nationally, 47 million Americans were uninsured last year.

"How much more evidence do you need that the traditional way of financing health care in the U.S. isn't working?" asked physician Joseph Jarvis, president of the **Utah Health Policy Project**, a reform advocacy group.

Health Policy Project director Judi Hilman said health care defies conventional economics.

"It's a different animal and needs a different set of tools to fix it," said Hilman, who is, nonetheless, confident that Utah is "on the path toward major reform."

The source of Hilman's optimism: a reform blueprint being quietly drafted by a group of Utah power brokers in time for the 2008 legislative session.

The Financial Stability Council - a group of doctors, insurers, business magnates and heads of hospitals and universities - was formed by the United Way of Salt Lake. It isn't bound by open meeting laws and won't unveil its plan until late September.

But Natalie Gochnour at the Salt Lake Chamber confirmed the council still favors an idea pitched by Huntsman's economic advisers: an insurance exchange, or clearinghouse, where citizens can purchase coverage using pretax income, employer contributions and federal and state subsidies.

It would work like a stock exchange and would contain all private health plans currently available in Utah. Residents would visit the exchange to comparison shop and purchase the plan that best suits their families' needs, using pre-tax dollars and employer contributions.

The coverage would be portable and follow an employee from job to job. Competition among insurers would theoretically drive down prices. And businesses would be relieved of the burden of administering their own plans.

But more than a vehicle for insurance, the exchange promises to change the way care is delivered in Utah.

The council is considering designing a "basic benefits package" that would cover preventative and primary care, such as annual checkups and cancer screenings, but not elective procedures, such as a shoulder surgery that may or may not help.

"You can get [the surgery], but you have to pay a certain percentage of the costs," said Gochnour. The council has not yet determined how to pay for the exchange, said Gochnour.

#### **Household income**

- \* National median household income, 2005 to 2006: \$47,845 to \$48,200
- \* Utah median household income, 2005 to 2006: \$54,813 to \$55,179
- \* National median household income: \$47,845 in 2005; \$48,200 in 2006
- \* Utah median household income: \$54,813 in 2005; \$55,179 in 2006
- \* Americans without health insurance in 2006: 47 million, or 15.8 percent, an increase of 0.5 percent over 2005
- \* Utahns without health insurance in 2006: 442,000 or 17.4 percent, an increase of 1 percent over 2005