

## Utahns' earnings no match for skyrocketing health insurance premiums

Report » Price of family coverage has grown 4.3 times faster than earnings since 2000.

By Sheena McFarland  
The Salt Lake Tribune

Salt Lake Tribune

Updated:

For the past three years, Kelly Moynahan of Park City has struggled to deal with average annual increases of 20 percent in her family's health insurance premiums.

She and her husband, self-employed entrepreneurs and parents of a now-2-year-old daughter, have no health problems. Still, they have switched between three insurance companies and four plans to try to save on costs. They currently have a stripped-down plan with a high deductible.

"It was a math problem," she said Wednesday in a teleconference by Families USA. "Our wages weren't keeping up with the health insurance premium increases. We simply couldn't afford another increase."

Moynahan is not alone, according to a report released Wednesday by Families USA, a consumer health organization. Since 2000 in Utah, health insurance premiums have increased more than four times faster than the median wage, the group found.

Premiums for families have nearly doubled, while the median wage increased about 22 percent between 2000 and 2009.

"Premiums are buying thinner and thinner coverage," said Kim Bailey, senior health policy analyst for Families USA. "It's squeezing both employers and employees, and threatening families in Utah. Unless we have major health care reform, more and more families will be priced out of coverage."

The Utah employer's average annual share of family premiums was \$4,861 in 2000, and it rose 97 percent to \$9,594 in 2009, the report notes. It is based on data from the U.S. Census and the U.S. Department of Health and Human Services.

The amount of coverage Moynahan's family can afford has continued to dwindle. Last year, they found a plan with a \$2,000 annual deductible, which required them to continue to pay 30 percent of all costs after paying that amount. But when the insurer contacted them in June after three years of 20 percent annual increases, they got desperate.

They now have a health savings account with a \$7,500 annual deductible, \$30 copayments for care and no maternity coverage, which dropped their premium by about 40 percent.

The Families USA report identifies four factors that contribute to the rapid increase in premiums: the increase in health care costs each year; a lack of oversight over private health insurance companies; consolidation among insurers, which has created a monopoly effect; and shifting the cost of caring for the uninsured to those with insurance.

"The health reform legislation that is currently pending in the House and the Senate would address each of these four factors, reducing the rate of increase in premiums and helping make coverage more affordable for all," the report states.

Judi Hilman, executive director of the Utah Health Policy Project, said national reform is the only way to provide cost-effective coverage.

"When I listen to the fear-mongering about reform that says there will be rationing, I look at the cost-shifting

going on right now from employer to employee," she said. "What is that but a system of rationing in its most insidious form?"

America's Health Insurance Plans, a national association representing nearly 1,300 insurers, supports changes in the industry, such as no longer basing premium costs on a person's health or gender. But insurers generally oppose creating a so-called "public option," or government plan, saying it would undermine the private market.

While Moynahan is studying to become a nurse and expects to get insurance in her future job, she hopes there is a solution for everyone soon.

"It's been very difficult for us, and we're healthy," Moynahan said. "I can't imagine what it's like for others who have health issues."

[smcfarland@sltrib.com](mailto:smcfarland@sltrib.com)

### **Individual challenges**

A new report by Families USA found that individuals -- in addition to families -- have seen their health insurance premiums skyrocket.

Average annual premium for individuals in 2000: \$2,585

Employer's share: \$2,003

Average annual premium for individuals in 2009: \$4,461

Employer's share: \$3,663

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