

# Deseret News

## Utahns' insurance premiums rising faster than income, report says

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Deseret News

*Published: Wednesday, Aug. 19, 2009 11:13 p.m. MDT*

Medical-insurance premiums have outpaced income fourfold for Utah workers the past 10 years, according to a new report issued Wednesday by the consumer health organization Families USA.

Not only have health-care premiums gone up 4.3 times faster than earnings between 2000 and 2009, small businesses have been discontinuing the job benefit at a record rate — only 40 percent of companies in Utah offer coverage now, the health-policy and advocacy group reports.

For family health coverage provided through the workplace, the average annual health-insurance premium (employer and worker share of premiums combined) in the 2000-09 period rose from \$6,305 to \$12,525, a 98.7 percent increase. Between 2000 and 2009, the median earnings of Utah's workers rose from \$21,497 to \$26,389 annually, or 22.8 percent. Along with the increases, coverage has thinned, has come with higher deductibles and higher co-payments. Other employers have cut costs by placing limits on which employees are eligible for coverage or by eliminating coverage for spouses and children of employees.

As a result, Utah families are paying more but receiving less in health coverage, said Ron Pollack, executive director of Families USA.

"Rising health-care costs threaten the financial well-being of families in Utah and across the nation," Pollack said during a telephone news conference. "If health-care reform does not happen soon, more and more families will be priced out of the health coverage they used to take for granted."

Key findings in the report make clear how the burden of rising health-care costs is being shared by employers and employees for both family and individual coverage.

Among those findings:

For family health coverage in Utah, the employer's portion of annual premiums in the 2000-09 period rose from \$4,861 to \$9,594, or 97.4 percent.

For family health coverage, the worker's portion of annual premiums rose from \$1,444 to \$2,931, or 103 percent.

For individual health coverage, the employer's portion of annual premiums rose from \$2,003 to \$3,663, or 82.8 percent.

For individual health coverage, the worker's portion of annual premiums rose from \$582 to \$799, or 37.3 percent.

"For America's businesses and families, the absence of health-care reform is unaffordable and unacceptable," Pollack said. "It will mean that businesses have a harder time staying competitive, and more and more families have to cope with stagnant wages and the loss of affordable health coverage."

Another potential catastrophe for families is the possibility that they will join the growing ranks of those filing for bankruptcy due to medical debts.

Prior to filing for bankruptcy, families attempt to balance budgets by dropping phone service, trimming food

costs and going without needed medical or dental care. Despite these desperate measures, however, more than half of all bankruptcies are related to medical costs.

Pollack cited four of the many causes of skyrocketing health-care premiums as wasteful health-care spending, an almost unregulated insurance market, a dramatic drop in competition in the insurance market and cost shifts from the uninsured, termed a "hidden health tax."

The Families USA report is based on data from the U.S. Census Bureau, the U.S. Department of Labor, and the U.S. Department of Health and Human Services.

The report is available online at [www.familiesusa.org/assets/pdfs/costly-coverage/utah.pdf](http://www.familiesusa.org/assets/pdfs/costly-coverage/utah.pdf).

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