

Health insurance costs cut income

by Becky Ginos
Davis County Clipper
May 21, 2009

A RECENT STUDY by a national non-profit group has shown that one in four American families will spend more than 10 percent of their income on health care.

DAVIS COUNTY — Every month Doug Dayley spends \$700 to \$800 toward medical coverage.

“We definitely spend more there than on food,” he said. “It’s just not right.”

Dayley is not alone. In a recent report by Families USA, a national nonprofit, non-partisan organization dedicated to getting high-quality, affordable health care for all Americans, one in four Utah families will spend more than 10 percent of their income on health care.

“The reality for families is that they cannot count on health insurance to shield them from financial ruin,” said Jessica Kendrick, Community Engagement director of the Utah Health Policy Project. “Unless we enact comprehensive national health system reforms this year, families are not going to have the money to pay their mortgage, or buy groceries and other necessary items.”

The Dayley family falls into this category. “We pay out-of-pocket \$7,500 to \$10,000 a year after our insurance pays,” he said. “My wife has cardiomyopathy, which is expensive to deal with. And my son has Cerebral Palsy and a severe seizure disorder.”

Dayley said he’s always under stress. “I work for a company that should be able to pay for employees. It’s a good plan for everybody else.”

He has considered taking on another job to supplement his income but says it does more harm than good.

“It just causes more stress and strain to get another job,” said Dayley. “When I did that before my wife had a break down. She just went into a downward spiral.”

The report also shows that Utah’s health care costs are outpacing the nation. The number of families paying more than 10 percent toward insurance is 2.5 percent higher than nationally. Families USA attributes this to premium increases for employers and some employers dropping health benefits all together.

“These numbers point to the need to address affordability in health care,” Elizabeth Garbe, Coverage Initiatives director of the Utah Health Policy Project said in a news release. “Utah needs affordability measures that determine what percent of a family’s income can reasonably go toward health care at various income levels. Subsidies must then be provided to keep families financially stable and ensure they can afford to be covered.”

A health care task force was formed in the 2008 legislative session, with several bills being passed in 2009. However, Dayley doesn’t see these measures having any impact on his family’s situation.

“It’s all just huff and puff,” he said. “I don’t see anything really being done. They just do it to get votes. It is a bigger issue than what they necessarily thought. Even local government doesn’t have enough funds. There’s just no budget for it. There’s not enough coming down the line.”

Nationally, health and insurance providers have offered to stabilize increases over the next 10 years. But in the meantime, families like the Dayleys are just struggling to get by.

“Insurance companies want to make money,” Dayley said. “It is absolutely ridiculous what I have to do to get health insurance to help me. Something has to be done.”