

Rural Utahns Health Insurance Options Dwindle with Arches Closure

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Thousands of Utahns are looking for new insurance now that the state's nonprofit cooperative Arches Health Plan is closing its doors. Those living in rural areas don't have a lot of options.

As of Tuesday this week, Arches can no longer sell insurance policies, and its existing policies will be closed out at the end of the year. The Utah Insurance

Department put Arches [in receivership](#) after it determined that the cooperative didn't have enough money in reserves to pay claims. Tricia Schumann is Chief Marketing and Communications Officer for Arches.

"We did not know, even the insurers and actuaries that worked with us what level of risk our market might anticipate, given that their might be pent up demand, we were insuring people who possibly didn't have insurance before, might have been underinsured, what level of healthcare utilization would we anticipate." Schumann says.

The insurance department says the move to receivership is a consequence of a shortfall in the federal government's program known as the risk corridor, which was intended to protect insurers from losses. But earlier this month, the federal government announced that it was only able to pay a fraction of the funding that

insurers requested. Arches' closure is bad news for Lisa Paterson of Moab, a self-employed tutor.

"I'm just not sure what's going to be provided so I'm back into kind of a tenuous, unknown situation as far as being able to afford medical care," Paterson says.

Of the 60,000 Utahns with Arches plans, individuals in rural areas will likely be affected most. In 20 counties, Arches departure leaves consumers with just one insurer offering plans on the federal exchange for 2016. Utah Insurance Commissioner Todd Kiser says he's in talks with insurance companies to see if anyone will fill the vacuum.

"I want to think that the industry out there wants to solve this problem too," Kiser says. "It's not just our problem, it's a statewide problem. Can we do something? I'm hopeful that we can."

Kiser says those who have an Arches plan can continue to file claims through the end of the year, but should be shopping for a new plan. Open enrollment begins November 1st.

For information about enrollment options, visit www.takecareutah.org or call 211 for United Way of Salt Lake.