

Utah's failing insurance co-op follows national pattern

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(KUTV) All over America, including Utah, co-op health insurers are folding. The co-ops were part of President Obama's Affordable Care Act, designed to offer an alternative to big corporate health insurance. But now 12 of 23 co-ops have gone out of business. In Utah, Arches, a health-insurance co-op folded last week. The company will pay its

obligations through the end of the year, but then the 35,000 Utahns insured with Arches will have to find new insurance.

Senator Orrin Hatch, R-Utah sent a letter this week to the Obama administration asking why so many co-ops are going broke.

In Utah, Arches offered low-cost insurance, but many of the the people who signed up were sick and had been denied insurance by other companies. Arches had to pay big medical costs for the sick people, according to Jason Stevenson, with Utah Health Policy Project.

In addition, Republicans reduced a federal loan fund that was supposed to help co-ops reach solvency, so needed money wasn't available for Arches.

Stevenson says in some other states, co-ops were opened by politicians instead of insurance people. "They had the wrong people in charge," he said.

Co-ops have folded in Arizona, Colorado, Iowa, Kentucky, Louisiana, Michigan, New York, Nevada, Tennessee, Oregon, South Carolina and Utah.

More than half of all co-ops have gone out of business, and all but one of the 11 remaining are losing money.



In Utah, Arches seemed a big success. They recruited 35,000 customers to become Utah's second largest insurer. But then costs proved higher than expected, and the federal government did not come up with loans the company had counted on. Arches will continue to pay medical bills for its customers until the end of the year. But Utahns now insured with

Arches might want to find other insurance. They can get help at [TakeCareUtah.Org](https://www.TakeCareUtah.org).

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