

Cost of health care pinches Utahns

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A new report on family health care spending shows that having insurance coverage doesn't protect the household budget from rising health-care costs.

According to health-care research and consumer advocacy group Families USA, the gap between coverage Utahns have and what insurance will pay for is rapidly widening. In 2009, 620,000 Utahns, nearly 90 percent of those with insurance, will spend 10 percent to 25 percent of their gross, pretax income on medical care, according to a Families USA study released today.

As cost of care has continued to skyrocket, procedures and services that medical insurance will cover has been shrinking, said Kim Bailey, lead author of the report. The trend was expected, but a 98.9 percent increase in the number of families in the gap since 2000 "is alarming," Bailey said.

Steven Rosenberg, a local business owner who said he just received notice that the premium for his current coverage will increase by 15 percent starting June 1, said the portion of his family budget dedicated to health care is already between \$12,000 and \$15,000 a year — more than the family's food budget.

"It's quite a challenge," Rosenberg said, noting that one of his two children has asthma. "It's just unbelievable to me that we spend a greater portion of family budget on health care than we do for food."

He said a large chunk of the spending goes for basic doctor visits and the bigger burden of ever-more-expensive asthma medications to keep their son healthy.

Rosenberg noted that he hasn't decided whether he'll re-up the coverage. A growing number of Utahns in the same predicament, and Utah small businesses who offer health insurance as a fringe benefit, are opting out. That trend is a concern duly noted but not yet fully addressed by those leading Utah's health-care system reform effort. People who wouldn't otherwise think about going without insurance are opting out, doing what they can to stay healthy and taking their chances they won't be hit with a catastrophic illness that most insurance plans will only partially cover anyway.

The study also notes that the number of Utahns with coverage who will pay 25 percent of their pretax income for health care will increase to 166,000 this year, an increase of 120 percent since 2000.

Elizabeth Garbe, who studies access to care issues for the Utah Health Policy Project, said although Utah by national standards offers care for less money and has better outcomes for patients than most if not all other states, "the figures show that we're far from immune to the overall problems of health care nationwide."

Garbe noted that Utahns who have signed up for the state's Primary Healthcare Network to help shoulder their insurance premiums are foregoing preventive care — the cheapest and most effective

kind of care-because "many worry that if a larger, serious medical problem is discovered, they won't be able to pay for the treatment."

The underinsured gap was an issue long before states and now the federal government noticed that health care as now practiced is financially unsustainable and exactly how much it contributes to the current overall economic crisis.

The cost of care, which Congressional finance committees are just now seriously reviewing as the federal government moves toward making its own reform plans, is yet to be fully addressed. The scale of the problem, on the financial drain alone, puts it on par with the national deficit, with almost \$2.4 trillion spent on health care in the U.S. annually. That's more than France's gross national product.

Dr. Brent James, an administrator with Intermountain Healthcare and an authority on medical care cost containment, said half of what is spent on care is wasted in a variety of ways, including treatments that don't work or work poorly, repeat testing procedures that only confirm a diagnosis and communication problems created by a pen-and-ink information system that lags years behind normal and accepted practices of any other business.

Nationwide, 64.4 million people under age 65 are in families who will spend more than 10 percent of their pre-tax family income on health care in 2009, and 82.6 percent of those people are insured — an increase of 22.7 million such people since 2000.

"As our findings make clear, high health care costs are not just a problem of the uninsured," Ron Pollack, executive director of Families USA, said Wednesday. "More and more families with insurance are affected by rising health care costs, and, for many, the burden of these costs is becoming too great to bear."

A copy of the report and the methodology is available online at www.familiesusa.org/assets/pdfs/too-great-a-burden-2009.pdf.