



## UTAH HEALTH POLICY PROJECT

*Quality Health Care Coverage for All Utahns*

Office: (801) 433-2299 Mobile: (801) 870-3887

[judi@healthpolicyproject.org](mailto:judi@healthpolicyproject.org)

Request: **\$4.17**

(matched by \$16.7 million Fed Funds)

# LEVELING THE PLAYING FIELD FOR UTAH'S CHILDREN

## RE-OPEN CHIP TO SERVE 15,000 UNINSURED CHILDREN OF WORKING FAMILIES

### Summary

Last year the Children's Health Insurance Program was closed due to lack of funds. Utah was the only state to freeze CHIP enrollment in 2006. A building block of \$4.17 million (state funds, to be matched 4-to-1 by \$16.7 mil in Federal funds) will enable CHIP to serve up to 15,000 of Utah's estimated 88,000 uninsured children.

### Key Facts

- Over the last decade premiums for job-based family health insurance in Utah grew 50% faster than in the U.S., leaving many employers with no choice but to stop offering family coverage. Who pays the price? Our children.
- Utah businesses are seeing health insurance premium increases that are *nearly 5 times* the increase in wages.

#### *Utah Premiums Paid by Workers Rising 5x Faster than Wages (2000-2004)*

	Change in average insurance premium	Change in Average Earnings
Utah	66.3%	13.2%
U.S.	35.9%	12.4%

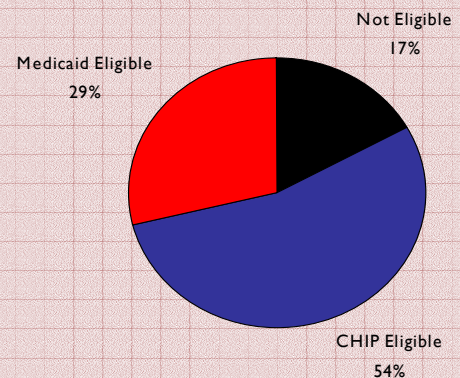
Source: The Lewin Group for Families USA, 2004

- 91% of Utah's uninsured children live in working families and 65% live in families with income at or below twice the poverty level (earning < \$33,200 for a family of 3 in 2006), the eligibility level for CHIP.
- Given trends in job-based coverage and characteristics of Utah's economy, children of working families will be less likely to have access to job-based coverage over time.
- The uninsured are more likely to skip routine preventive care and to show up for care in the emergency room.
- CHIP plays a huge role in reducing health disparities between racial and ethnic groups. Why? Because children of color are more likely to live in low-income working families.
- Less healthy than insured kids, uninsured kids miss school. And, parents miss work to care for them. If we want low-income families to escape poverty, we will make sure children have affordable coverage—through CHIP.

### FREQUENTLY ASKED QUESTIONS

#### What role does CHIP play in covering the uninsured?

CHIP plays an increasingly substantial role in addressing the crisis of Utah's uninsured. A survey of uninsured children showed the vast majority would qualify for Medicaid or CHIP (if it were open) were they to complete the application process.



#### What drives the demand for CHIP?

The demand for CHIP is growing because middle class health care is a broken system. Illness and injury are bankrupting families, forcing them to spend down assets into CHIP eligibility. CHIP ran out of money sooner than anticipated because private insurance would not cover the cost of transplants. By meeting critical needs and heading off crises and bottlenecks, we will cut costs in the long run. However, in order to make real progress, we must tackle the underlying problem of rising health care costs.

#### Why are premiums (and the uninsured rate) rising so much faster in Utah than in the U.S. as whole?

Because our economy is dominated by small businesses, which are inherently vulnerable to actuarial gamesmanship in the small group market. Our children should not have to pay the price for our inaction on—or denial of—the problem of rising health care costs.

#### Why re-open CHIP in this Legislative Session?

Congress will need to re-authorize CHIP in 2007 or it will expire. As a ranking member of the Senate Finance Committee, Sen. Orrin Hatch will play a key role in CHIP Re-Authorization. His influence in shaping the terms of re-authorization will be stronger if his home state is making wise use of the program.

## Sources

Campaign for Children's Health Care, No Shelter from the Storm, September, 2006. [www.childrenshealthcampaign.org](http://www.childrenshealthcampaign.org)

Families USA, *SCHIP and Children's Health Coverage: Leveling the Playing Field for Minority Children* (December 2006).  
[www.familiesusa.org/assets/pdfs/schip-leveling-the-playing.pdf](http://www.familiesusa.org/assets/pdfs/schip-leveling-the-playing.pdf)

Kaiser Commission on Medicaid and the Uninsured, Health Insurance Coverage of America's Children. January, 2007.

Kaiser Commission on Medicaid and the Uninsured, Resuming the Path to Health Coverage for Children and Parents. January, 2007.