



Underinsured Utahns

SPEAK UP

A gap in insurance coverage means Kim can't get the eye surgery she needs because it is a pre-existing condition...

Gap in insurance coverage leads to pre-existing conditions

In 2006, Kim was diagnosed with cervical cancer. Treatment prevented her from working, and her employer was not willing to grant her any flexibility. Eventually she lost her job and along with it her health insurance. To cover all of her medical bills she finally gave up her house and what few other assets she had. Fortunately, Kim conquered her cancer. She also found a new job with health insurance.

However, her gap in coverage continues to haunt her. Due to the cancer treatment, Kim has developed retinal detachments, first in her right eye and now in her left one. She could only see in well-lit condition; then, she had trouble recognizing faces and struggled to read, and finally night blindness. Her vision got so bad she faced losing her job again!



Kim needed surgery to re-attach her retina, and though she now had insurance, her retinal detachment was deemed a pre-existing condition. Kim felt blocked at every turn. As her eyesight continued to worsen, she was finally referred to a local hospital's financial assistance program. "*They saved my life,*" says Kim. The hospital paid for the exams and surgery in her right eye. Now, she needs surgery in her left eye.

Once again Kim has nowhere to turn—will her insurance be there when she needs it, or will she have to rely on the hospital's kindness again? Or will she lose her eyesight?

Policy Solution: Share Risk as a Community ...

Utah should change the way it manages risk to help Utahns like Kim obtain affordable insurance. Instead of using *rate bands* we should *community rate*, a system where insurance companies cannot deny coverage or increase premiums due to health conditions.

In a community rated system, Utahns like Kim cannot be denied health coverage for an illness over which they have no control. Also, it would incentivize insurance companies to compete over keeping us healthy rather than avoiding risk. In the end, a community rated system will ensure greater efficiencies, reduced costs, increased quality and expanded access in a stable private market.