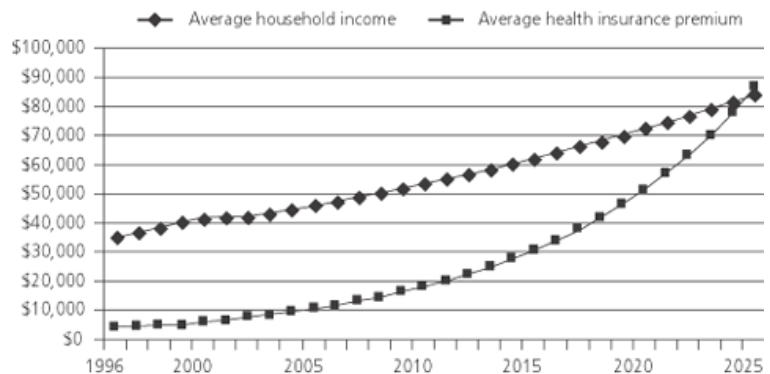


Utahns face an economic and humanitarian imperative to reform our health system. Our current system inhibits economic prosperity and fails to provide health security to hundreds of thousands of Utahns. It is unfair and unsustainable, wasting resources and leaving far too many without sensible care.

United Way, the Salt Lake Chamber, and Governor Jon Huntsman, Jr., have teamed up with business, community, and legislative leaders to develop a comprehensive, business-minded reform proposal that will contain costs, improve quality and expand access. Preliminary recommendations will be made on September 24th. We will then seek public comment, before making final recommendations before the 2008 General Legislative Session.

Annual Health Insurance Premiums and Household Income, 1996 - 2025



NOTE: Projections for 2003 to 2025 were extrapolations of the 1996 to 2002 average annual increase rates (3.03 percent for incomes and 10.83 percent for insurance premiums) using 2002 data as baseline. DeVoe JE, Dodoo MS, Phillips RL, Green LA. Who will have health insurance in the year 2025? Am Fam Physician 2005;72:1989.

Need and Urgency

- **Rapidly escalating costs** – In the last ten years, median household income in Utah has grown by 15%, while family health insurance premiums in Utah grew by 109%. In 2006, health care premium increases were twice that of earnings and more than twice that of inflation. If not addressed this trend will result in the cost of health insurance premiums consuming half of household median income in 10 years, and exceeding household income in less than 20 years.
- **Misaligned incentives** – Incentives at all levels of our system promote behaviors that drive up overall utilization and costs – often without adding medical value. Since health care costs are often unknown, unavailable or subsidized, patients and providers do not make decisions based on value. For instance, The National Imaging Association's own audit concluded that 40% of diagnostic imaging is inappropriate and non-contributory.
- **More and more families are losing the financial security and positive health outcomes of having insurance** – Approximately 360,000 Utahns lack health insurance (approximately 90,000 of these are children). Increasingly, the problem of health insurance affordability is a middle class problem. Not only is this a financial concern for families, but it results in poorer health outcomes and higher costs overall. The National Institute of Medicine estimates that 18,000 people die each year as a direct result of not having health insurance.
- **We continue to bear the costs for treating the uninsured.** As individuals and employers can no longer afford insurance, early and less expensive primary care is delayed or avoided. However, ultimately these costs are born in the most expensive and inefficient manner possible.
- **The current system is unfair to individuals, businesses and taxpayers** – Private insurance premiums are higher for individuals and business to cover the cost of uncompensated care for the uninsured.

- **We have a window of opportunity** – We have a window of opportunity to act while the Bush Administration and Secretary Mike Leavitt are providing Medicaid flexibility that will support innovative state reforms.

Guiding Principles

Business and community leaders seek a business-minded approach to health system reform that is firmly grounded in the conservative principles of personal responsibility, maximizing consumer choice, and creating positive incentives for change. We desire to capitalize on the many strengths of Utah's health care system and to rely primarily on the private market. We have selected the following principles to guide our reform efforts.

1. **Contain costs** – We must make difficult choices that will make health care more affordable and equitable, stem rapidly rising health care costs, simplify administration and encourage the implementation of health information technology. Incentives in the system must be realigned to focus on quality, value, best practices and personal responsibility.
2. **Share responsibility** – Individuals, employers, providers, insurers, state government and the federal government share responsibility to make high-quality, cost-effective health care available to everyone. Within this framework, Utahns should decide what health care solutions work best for them.
3. **Support market-based solutions** – Effective and fair competition in a responsibly regulated free market system will deliver greater value for both employers and individuals. Competition should be focused on effectiveness, outcomes, efficiency and overall quality and value. Consumers should have the information and incentive to choose health care options based on value.
4. **Endorse wellness and prevention** – Healthy lifestyles and preventive care form the cornerstone of good health. Individuals must take responsibility for their health and be provided with incentives that reward responsible behavior.
5. **Be compassionate** – Society must devote appropriate resources to care for the most needy in our community. In addition, population-specific differences in the presence of disease, health outcomes and access to health care should be eliminated.

We have three choices: we can do nothing and wait for a federal government-run system to be imposed on us, we can nibble at the edges and wait for a federal government-run system to be imposed on us, or we can do something bold and fix the system by taking Utah's health care future into our own hands.

- Bruce Reese, President and CEO; Bonneville International Corporation

United Way Financial Stability Council

The United Way Financial Stability Council (FSC) is comprised of 130 business and community leaders working to identify and build consensus around bold strategies for strengthening the middle class. For more information about the FSC, visit (www.uwfinancialstability.org).

Stan Albrecht, President, Utah State University
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Scott Anderson, President & CEO, Zions Bank
Pamela Atkinson, Community Advocate
Gov. Norman Bangerter, Bangerter Development Cos.
Scott Barlow, M.D.; CEO, Central Utah Clinic
Stewart Barlow, M.D.; Otolaryngology Head and Neck
Michael Bassis, President, Westminster College
Deborah S. Bayle, President & CEO, United Way of Salt Lake
Lane Beattie, President & CEO, Salt Lake Chamber of Commerce
Taz Biesinger, Executive Vice President, Utah Home Builders Association
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Melanie Bowen, Office of Senator Orrin Hatch
Bryan Bowles, Superintendent, Davis County School District
Roger Boyer, President, The Boyer Company
Senator Curt Bramble, Utah State Senate
Michael Brodsky, CEO, Hamlet Homes
Kenneth Bullock, Utah League of Cities and Towns
Bishop H. David Burton, Presiding Bishop, Church of Jesus Christ of Latter-day Saints
Joan Calder, Community Advocate
Curtis Child, CFO, R.C. Willey Home Furnishings
Representative David Clark
Jordan Clements, Peterson Partners
Mayor Peter Corroon, Salt Lake County
Mary Crafts, President, Culinary Crafts
Speaker Greg Curtis, Utah House of Representatives

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Palmer DePaulis, Utah Department of Community & Culture
Senator Mike Dmitrich, Utah State Senate
Becky Drysdale, America First Credit Union
Senator Dan Eastman, Utah State Senate
Jeffrey Edwards, President & CEO, Economic Development Corporation of Utah
Larry Ellertson, Commissioner, Utah County
William Erickson, President, Utah Housing Corporation

Ray Etcheverry, President, Parsons Behle & Latimer
Beverly Evans, Governor's Office of Economic Development
Cecilia Foxley, Professor and Former Commissioner of Higher Education, University of Utah
Christopher Gamvroulas, President, Ivory Development
Kem Gardner, President, Gardner Company
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David Grant, President, Metalcraft Technologies, Inc
Thomas Gregory, Utah State Board of Education
Tom Guinney, Gastronomy, Inc.
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Randy Horiuchi, Councilman, Salt Lake County Council
Curt Howell, Executive Director, UnitedHealthcare
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Ron Jibson, Questar Gas
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Chris Kyler, Executive Officer & General Counsel, Utah Association of Realtors
Susan Lawrence, Former State Legislator

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Initiative on the Uninsured
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Harris Simmons, President and CEO, Zions
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School
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