



COLORADO CENTER
on LAW & POLICY

EVENT ADVISORY
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NEW STUDY: Health Care Premiums Rising Five Times Faster Than Income
Rising Health Care Costs Continue to Harm Families, Small Businesses

Denver, CO - Families USA released a new report today, called *Premiums versus Paychecks: A Growing Burden for Colorado's Workers*. The findings of the report give cause for concern, as health care premiums have risen nearly five times faster than median earnings. Additionally, according to the study, Colorado families faced higher out-of-pocket health care costs as well, leaving it tougher and tougher to make ends meet.

“When it comes to health care, the word affordability is thrown around a lot, but few know what that actually means for working families,” said **Elizabeth Feder, Health Policy Analyst at the Colorado Center on Law and Policy**. “This study confirms what we’ve long expected though, that Colorado families are getting increasingly squeezed between rising health care costs and flat or falling incomes.”

“This is a growing crisis that not only affects the 799,000 uninsured people in Colorado, but every individual, family and business in the state,” said **Dede de Percin, Executive Director, Colorado Consumer Health Initiative**. “There are grave economic consequences when everyone – businesses and consumers - are badly squeezed by relentlessly increasing premiums.”

Some of the key findings from the Families USA report include:

- Health insurance premiums for Colorado’s working families skyrocketed over the last eight years, increasing by 74.8 percent from 2000 to 2007.
- During that same period of time, median earnings rose by only 15.5 percent
- For family health coverage in Colorado, the average annual premium (employer and worker share combined) rose from \$6,796 to \$11,878, an increase of \$5,081, or 74.8 percent.
- For family health coverage in the state, the amount employers paid for the annual premium increased 68.2 percent, while the amount workers paid for the premium increased 97.2 percent. [Note: The portion of premiums paid by employers was 75 percent in 2007, down about two percentage points from 2000.]
- For individual coverage in Colorado, the average annual premium (employer and worker share combined) rose from \$2,450 to \$4, 269, an increase of \$1,819, or 74.3 percent.

- For individual coverage in the state, the amount employers paid for the annual premium increased by 72 percent, while the amount worker's paid for the annual premium increased 85.7 percent.
- Between 2000 and 2007, the median earnings of Colorado's workers increase from \$26,390 to \$30,476, an increase of \$4,086, or 15.5 percent.

Last month, unrelated to the Families USA study, CCLP teamed up with *Colorado Voices for Coverage* - a collaboration among the Colorado Consumer Health Initiative (CCHI), the Business Health Forum, the Colorado Progressive Coalition, and the Colorado Council of Churches - to conduct more than 80 community workshops, as part of a groundbreaking study on affordability of healthcare and healthcare coverage in Colorado. The workshops were aimed at getting direct consumer input from communities all over the state about what is truly "affordable" health coverage for Colorado families.

The data from those workshops is currently being compiled and evaluated, and a final report on the health affordability project is expected later this year.

For the complete report of *Premiums versus Paychecks: A Growing Burden for Colorado's Workers*, click here:

<http://www.familiesusa.org/assets/pdfs/premiums-vs-paychecks-2008/colorado.pdf>

To see the Families USA press release on the report, click here:

<http://www.familiesusa.org/resources/newsroom/press-releases/health-care-premiums-rose-3.html>

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