



For Immediate Release:
Friday, August 24, 2001

Contact:
Jana Kettering
Public Information Officer
801-538-6339

NEWS RELEASE

CHIP Offers an Affordable Alternative to Families Faced Without Insurance Due to Recent Layoffs

(Salt Lake City, UT) - Within the past several weeks, three Utah companies have laid off more than 1,700* employees. For the first six months of the year approximately 4,500 Utahns were victims of layoffs from 47 Utah companies.* These cut backs not only leave a parent without a job, but in many cases, leave a family without health insurance. Employees faced with a pink slip may consider COBRA as an option to continuing their family's health coverage; however, this is a costly alternative for a family budget that is already strained by the loss of one income (the former employee pays the entire premium). Families may also consider going without health coverage temporarily. Yet, according to a report published by the Children's Defense Fund, uninsured children when compared to children with health coverage are four times more likely to delay seeking care when it is needed, five times more likely to use the emergency room as a regular source of care, and six times less likely to fill a prescription due to cost. Many of these families may not realize that Utah's Children's Health Insurance Program (CHIP) could provide them with piece of mind during this transition period.

CHIP was developed to help working families who are not able to afford or secure private health insurance to have access to health coverage for their children. The program is administered by the Utah Department of Health, yet was designed to mirror a traditional commercial health plan. With CHIP, there are no monthly premiums or deductibles and all preventive care, such as well-child checkups, immunizations, and dental exams, are at no cost. The CHIP benefit package also includes physician visits and services, hospital and emergency care, prescription drugs, mental health services, and dental services including filings for a small co-pay.

Since 1998, more than 41,000 previously uninsured Utah children have benefited from the program. Currently, more than 23,000 Utah children are receiving health coverage through CHIP. The program finds that, on average, 35 percent of enrollees moving off of the program are moving to employer-sponsored health insurance. "CHIP is serving as a bridge to self-sufficiency," said Chad Westover, Director, Utah's CHIP. "Many families access the program when finding themselves in a difficult period. CHIP allows them to protect their children's health while getting back on their feet," added Westover.

- MORE -

Mike (who prefers that his last name not be used) was laid off from his job in April. He and his wife have two children living at home. Mike looked into COBRA but it would have cost him more than \$500 a month. “COBRA was an option, but we couldn’t afford it. With unemployment and limited money, you can’t pay all your savings out to insurance,” said Mike.

Mike’s family found out about CHIP through a friend. “We have definitely benefited from CHIP. Not that we’ve had to use it much, but it’s nice to know that that security is there in case we need it. We were more concerned about the kids. We had a son playing baseball at the time, and worried about the accidents that can happen with sports. You never know, you could have a broken arm or leg, whatever, and it would be expensive. But things have worked out well, no big catastrophes. And it’s nice to have the coverage,” said Mike.

To qualify for CHIP, a family must meet certain income guidelines, which are based upon a family’s household size and income. For instance, a family of four earning up to \$34,500 a year may qualify. The application is only one page and may be returned by mail, fax, or in person. Further information on CHIP can be obtained by calling the CHIP hotline at 1-888-222-2542, or by visiting any local health department.

**1,700 in August = Local headlines for Iomega, Autoliv and CommComm.*

**4,500 layoffs in 47 Utah Companies from January – June 2001, according to Department of Workforce Services.*

#