

Testimony of Emma Collins
To the House Oversight and Government Reform Committee
Field Hearing
Gainesville, GA

November 25, 2013

Thank you for giving your time and effort to research the wide-ranging effects of "Obamacare" – The Affordable Health Care Act (ACA.) Thank you also, for allowing me to represent my family and the many self-employed people who are now in similar negatively impacted situations. The effect of the ACA on my family and myself has been, already, considerable. As self-employed persons, my husband and myself are not covered under any group insurance plan, thus we are participators in the private insurance market.

My husband is a Certified Quality Auditor (CQA) who performs independent food quality/safety audits at food manufacturing facilities. He is an independent contractor in his work and owns his own auditing business and has done so for approximately the last thirteen years. I am also an independent contractor as a Licensed Massage Therapist (LMT.) I own my own massage therapy business and operate out of a local medical day spa. I have been self-employed for over two years. We used to be covered by group health insurance when I was employed by our local school system. However, when my part-time position there was eliminated several years ago, that all changed.

As self-employed persons, we carefully researched private health insurance for our family to cover my husband, our college-age daughter and myself. I searched in vain for a company that would insure me at all, since I have the pre-existing condition of having had heart-valve replacement surgery 15 years

ago. Even though I am, in reality, quite healthy, I was refused coverage by all the insurance companies to which I applied. So, we decided to focus on finding insurance coverage for my husband and daughter at least.

We purchased a policy for my husband and our daughter through Humana with a monthly payment of \$265 that would cover both of them. It was basically catastrophic coverage, but that was fine and exactly what we needed. We paid out of pocket for their rare medical expenses and for any that I incurred.

In early October 2013, we received a letter from Humana stating that our policy would no longer be available as we had purchased. We could purchase the "substandard" plan for only a small increase per month. However, we were told in the letter, if we chose that option we would be reported to the IRS as noncompliant and charged a fine. **To make their policy compliant with the ACA it was now going to go up from \$265 per month to \$898.00 per month. That is a 240% increase!** In addition to a much higher premium, the new policy would have a \$6000 deductible for one person and \$12,000 for both of them. That adds up to potentially \$500 to \$1000 **more** a month in cost, just to reach the deductible and then, finally, begin to receive a percentage of reimbursement. While a high deductible was an acceptable risk when we were paying a low premium, it is not workable at all when the premium is already so high.

My husband and daughter are both athletic and healthy. They are both runners and in the last 3 years he has ran a marathon and several half-marathons and shorter races and he and she have both completed 2 half-marathons together as well as she has ran several other races. They are among the healthiest people I know, and for their health insurance coverage to increase at that ridiculous amount is absolutely ludicrous.

I still don't know what I am going to do about health insurance for myself. I understand that one of the provisions of the ACA is that those with pre-existing conditions can't be denied coverage. I had originally hoped that would provide benefits for someone like myself who had been unable to purchase private health insurance previously. At this point, however, I have no idea how much any coverage for me would cost. Sure, they are required to cover me, but there is nothing I know about that requires it to be at an affordable amount for me. We are blessed to make too much money to qualify for a "subsidy", but certainly cannot afford the amounts that this law would try to make us spend on just the two healthiest members of our family, much less me with the pre-existing condition.

I have not signed on to healthcare.gov yet because I am very concerned about my private information being insecure on that site. It seems the website has many issues, and one of the ones that makes me most uncomfortable is the questionable security of the information that one enters into it. Identity theft or other misuse of the private information entered therein is an issue I do not feel has been adequately addressed and/or worked through. Because of my concerns with the safety of my personal information on the website, I have not even attempted to see if I could become one of the few people to get through to sign up and see what my rates will be. Based on the exorbitant cost of coverage for my healthy husband and daughter, I do not have high hopes that coverage for me will be any less expensive, and most likely much more.

My husband, our daughter and myself are not the only ones in our family to be negatively impacted by the new healthcare plan. Our married son, his wife and daughter also have been adversely affected. Our son is a full-time college student, his wife works part-time and they share in the full-time care of their 4-year-old daughter. They make less than the poverty level, but more than the amount that would qualify them for Medicaid. So, they do not make

enough to qualify for a subsidy, but too much for Medicaid since Georgia chose not to place the state under the heavy financial burden of expanding Medicaid. I was recently told that there is supposed to be a waiver form to be developed to eliminate the fine for having no insurance for those in this "gap." They are still left with no insurance and no ability to afford it at this time.

As I was looking on the public pages of the healthcare.gov website, I noticed an odd thing. On those pages of the website, the the subsidies are touted constantly and one is over and over encouraged to see what subsidies for which one qualifies and told that one's premiums will probably be lower than the cost cited because of the subsidies. However, even with the variety of financial situations in our family, NO ONE in our family qualifies for the subsidies at all. It seems from the website presents it, that most everyone qualifies, but when one starts looking at the nitty-gritty of it, that list narrows down a lot. I am not a great fan of the subsidies, though, anyway, because of the way they are applied. I gladly would help the poor and those who desperately need help, but it seems the subsidies have reached out far beyond that. When our family, who is by no means rich, does not qualify for subsidy, but is required to pay for exorbitantly priced insurance in full or pay a fine, but yet, politicians and staffers in the Congress and Executive Branch have subsidies – something is wrong. Why should our family be required to carry the burden of those who are as well, and most instances better, financially equipped as we? Misleading advertising on healthcare.gov and unfair application of the subsidies all make this painful financial pill even more bitter to try to swallow.

Now, with the skyrocketing cost of health care coverage thanks to the "ACA" my family will be bearing an incredibly heavy financial burden, simply to obtain health care coverage. This will have a very negative impact on our contribution to the local economy. We currently employ someone to clean

our home on a regular basis. That will have to stop because of the tightening of our financial purse strings thanks to healthcare coverage. So, it flows on down to her, reducing her income and reducing the income she has to add to the local economy. We also employ other persons to perform yard work and odd jobs. That will also have to stop, thus reducing the income of those people too. Our discretionary spending will have to be decreased drastically with the vast bulk of it going directly toward maintaining health care coverage we do not want. This is spending we would normally do at local shops, restaurants, gas stations, hair salons, and so on. We may not make so much of a dramatic impact just by ourselves on this, but we are not alone. All those of us who are self-employed and blessed financially enough to not receive a subsidy will be forced to do the same thing. This certainly does not sound like a harbinger of an upswing of the economy to me. If it has the negative impact on our economy that I, with just my local effect, can foresee – imagine this combined with all those others like my family and myself. Once, we were happily contributing to multiple levels of the economy, now we will be required to funnel most of that financial stream into only one thing – the health care behemoth of the ACA.

Originally, my family and I thought that this health care reform might actually work out to be a good thing in our lives. However, as self-employed small business owners, we are being penalized and placed under a potentially very heavy financial burden. We would much prefer it would simply go back to how it was. We had affordable coverage for my husband and daughter. We realized the financial risk we took to pay for their healthcare coverage out of pocket because of their high deductible and to cover out-of-pocket any health care expenses I might incur. However, with the outrageous cost increases that the ACA is bringing to bear; it will not take long for coverage under the ACA to cost us much, much, more than we were paying before with little benefit to us. I would much rather save the money and apply it as needed to healthcare, than to pay it up front for dubious coverage that may

not be needed, or what we even want, if and when it is needed. Now, because of the ACA and its mandates, our family will go from having some health care coverage that we can afford, to no health care coverage and a fine of 1% of our income.

I do understand there is some value in health care reform. However, the lack of choices of types of policies (no catastrophic care over the age of 30, for example) and lack of choice over what is covered (maternity coverage being a requirement, for example, regardless of whether it is needed or wanted) create a mandatory high cost. What about an *a la carte* system? This would help our family considerably, since we could then choose to pay for the items we needed and only those items. If we choose not to elect a certain type of coverage, then so be it. We would have to pay out of pocket if it became necessary. Thus, we could have truly *Affordable Health Care*, not this unaffordable quagmire that is the *ACA*.

In summary, I am a 47 year old, self-employed healthy woman with a pre-existing condition. I currently have no health insurance. My 51 year-old, self-employed healthy husband and 22 year-old healthy college student daughter have private health coverage. Their current coverage rate of \$265 has been tripled in price to \$898.00 per month due to requirements to make their policy ACA compliant. This, combined with the unknown cost of "required" health insurance for me, is an excessive financial burden on our family. Please do all you can to repeal the ACA in its entirety. There has to be a better way that will not place such an onerous burden on our family and those like us yet will help those who truly cannot help themselves.

Thank you again for your time and consideration of this extremely important matter. May God bless you all with wisdom.