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Testimony on August 17 Directive

Testimony on August 17 Directive before the Subcommittee on Health Care of the U.S. Senate Committee on Finance presented on April 9, 2008, by Paula Novak.

Good Afternoon, Chairman Rockefeller, Ranking Member Hatch, and other members of the Subcommittee. My name is Paula Novak. My husband Jeff and I have three children: Cole, Avery, and Seth. We live in Lebanon, Ohio. Today I represent my family and many others like ours that are self-employed, hard-working and yet struggle to maintain adequate health care coverage. This becomes particularly true when one person in the family has a chronic illness or disability. In our situation, our youngest son, Seth, who is four-years-old, was born with Down Syndrome and struggles with related health and developmental issues.

I want to share with you the effects the August 17 Directive is having on Seth and the rest of my family. This time last year, Ohio was moving to expand its Medicaid/SCHIP program to include children like Seth. The expansion was stopped, however, by the August 17<sup>th</sup> directive and now Seth, as well as his sister and brother, are uninsured.

My husband Jeff is self-employed in the construction industry. He works hard, specializing in church construction and remodeling. I do some work for the business, though unpaid, but mostly I am needed at home to care for our children and particularly our son, Seth.

Jeff and I and our two older children have been sporadically covered through private insurance that we purchase ourselves. In January 2004, our family was covered by Anthem Blue Cross for about \$535 per month. Seth was born January 8, 2004. Medicaid covered Seth's birth because we did not have a maternity rider on our policy. During that same month the insurance policy came up for renewal and the premium jumped to \$800 per month. Jeff was not working in early 2004 due to surgery, so we had to drop the policy. Since we had very little income at that time, we qualified for Medicaid. When Jeff returned to work, the business began to produce a better income and our Medicaid coverage ended. We were able to pick up a policy with Medical Mutual of Ohio for \$444 per month, but they declined to cover Seth because of his Down Syndrome. At that time I checked with the top ten insurance companies and dozens of agents trying to find coverage that would include Seth but I was told Seth is deemed as "uninsurable" and the only possibility to cover Seth would be to go through "open enrollment."

Open Enrollment is a requirement of the Ohio law that the insurance companies will once a year take a limited number of individuals regardless of preexisting conditions. I attempted to enroll Seth during open enrollment and was quoted premiums ranging from \$1,200 to \$1,800 per month, just for Seth. We cannot afford this additional premium on our current income.

Seth has been uninsured since August of 2007 when his Medicaid coverage ended. He has now been deemed disabled, but the catch here is that our spend-down per month was calculated to be \$2,687.00, which must be spent before Medicaid can help. This amount is even more unreasonable than the price quoted for private insurance for Seth under open enrollment.

Now our entire family is uninsured. We were forced to drop the Medical Mutual policy coverage for myself, my husband, and our two older children in January when our carrier raised the premium from about \$450 to almost \$600 per month. The policy also had a high deductible and we could not afford the cost of the insurance plus the out of pocket requirements.

Our adjusted gross income for 2006 was about 250 percent of the federal poverty level and it appears that our 2007 gross income will be approximately the same.

We were so privileged to be able to participate in the signing of Governor Strickland's budget in Ohio which included the expansion of Medicaid eligibility to children with family incomes up to 300 percent of the federal poverty level. Under the expansion, Seth would have been able to have the health coverage he so critically needs. Not only Seth, but my other two children would have been able to be covered under this expansion. In a country as prosperous as America, it is just not acceptable that they do not have access to affordable health coverage.

Because of the requirements placed on States by the August 17th directive, Ohio has been unable to implement the expansion it had planned to help children like Seth. We're proud that Ohio made a commitment to cover Seth and children like him, but we're deeply troubled by the federal government's efforts to block that decision in Ohio.

Just as an example please let me tell you the needed care Seth has missed due to his lack of coverage. Seth had open heart surgery in March 2007 and missed his one year cardiology follow-up. Seth has missed appointments for eye-exams, thyroid exams, ENT visits to replace tubes in his ears, genetic doctor appointments to track his growth and development, fittings for his orthotics, and very importantly because Seth is still non-verbal, visits to his speech therapist.

As the parents of three uninsured children, I implore you to overturn the August 17th directive and allow States such as Ohio to continue the good they set out to do with the Medicaid expansion. By virtue of his birth, Seth is not entitled to special privileges, however he is entitled to equal privileges which can be provided by the proposed Medicaid expansion. We are ready and willing to contribute to Seth's health care, but the \$1200 premium or \$2600 spend-down are simply out of reach for us. We ask you to help us to help Seth by not adding lack of healthcare to the already substantial challenges he must face.

I thank you for your time and consideration. I would be happy to answer any questions you may have.