



**House of Representatives**  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

**HOUSE DEMOCRATIC POLICY COMMITTEE HEARING**

**Topic: Health Care**

**William E. Anderson Library of Penn Hills – Pittsburgh, PA**

**March 24, 2011**

**AGENDA**

- 10:00 a.m. Welcome and Opening Remarks
- 10:10 a.m. Georgeanne Koehler  
Member  
SEIU Healthcare Pennsylvania
- 10:30 a.m. Erin Gill  
Western PA Education and Implementation Coordinator  
Pennsylvania Health Access Network
- 10:50 a.m. Beth Heeb  
Executive Director  
Consumer Health Coalition
- 11:10 a.m. Rev. Ron Wanless  
Board of Directors  
United Methodist Advocacy in Pennsylvania
- 11:30 a.m. Closing Remarks

**Testimony for House Democratic Policy Committee – March 24, 2011**  
**By SEIU HCPA member Georgeanne Koehler**

Today I am here to tell you Billy's story.

Billy was born March 18th, 1951. He was the son of Phillip and Dorothy Koehler and the baby brother of four little girls. He was a good kid and grew up to be a great man. Billy had a gentle soul and a loving heart but that heart didn't always beat so good. My sister Kitty describes him as a man who was loving and generous to his family, his friends and those in need.

Billy suffered his first heart attack when he was 39 years old. He was blessed that evening because he was in a triage department of a local hospital when he had his Cardiac Arrest. The ER staff was able to bring him back to us. After many heart test he was diagnosed with having Torsades de Pointe, a sudden death type of cardiac arrhythmia. There is no cure for this arrhythmia but it is recommended that the patient be put on Beta blockers and have an implanted AICD (automatic internal cardiac defibrillator) ready to fire at any time. Billy was discharged from the hospital with a new AICD.

Billy had health insurance through his job, so caring for his heart and AICD wasn't a big deal. Through the years he spent his small pension of \$25,000 dollars to pay for the services his health insurance didn't cover,

He was okay with that.

The company Billy worked for closed in the spring of 2003. He lost his job and his health insurance. Time was on our side as he had his AICD replaced six months before he lost his job, and he and we thought that he would find another job that offered health insurance as a benefit. That job was nowhere to be found so he took a job as a pizza delivery driver. He was thankful for the work.

Bily called every health company in Pa, but the answer was always the same, denied due to his pre-existing existing heart condition.

On December 14th, 2007, Billy was closing up the shop when he collapsed on to the floor. He was rushed by ambulance to a local hospital. The ER admitted to a 23 hour monitored bed. That morning a cardiologist came to his room and read his defibrillator and said he'd be back later. The Dr. came back that afternoon, stood at the foot of the bed and said "Mr. Koehler you are a very lucky man, your defibrillator battery is so low that I am surprised it fired this time." He went on to say that his AICD will need replaced and that the replacement would be done as a outpatient. He told Billy he would be seen at the office in three months. Billy asked the Dr. if he didn't have insurance by then would he have to have the money up front. The Dr. replied "yes and you will have to bring thousands of dollars with you or you won't be seen. Billy replied, "I don't know what to do, I don't have thousands of dollars and neither does my family. The Dr. then moved to the side of the bed, opposite of where my sisters and I sat and asked "Mr. Koehler, do you put oil in your car? Billy didn't answer. The Dr. said "Mr. Koehler, I asked you a question, do you put oil in your car? Billy replied "of course I put oil in my car.

The Dr. asked "Do you use the best money can buy so your car runs smoother and lasts longer because that is what you have to do for your heart. Billy said, "you are talking about a can of oil that costs me \$8.50 compared to a defibrillator that will cost me \$10,000 dollars and that doesn't include the surgery. I will never have that kind of money. With that the Dr. pointed his finger at him and said, " get your priorities straightened out and you will come up with that money." The Dr. then left the room and discharged Billy from his service.

The next day Billy was discharged from that hospital without an AICD ready to fire at any time.

We as a family once again tried to find Billy a private health insurance plan but we were denied over and over. We prayed for peace of mind but we worried all the time that we would get a call telling us of Billy's death. That call came on March 7th, 2009. Billy was 57 years old.

Billy left work that day around 5:00pm, drove two blocks, came to a stop sign, put his car in park and slumped onto his steering wheel.

Billy's life mattered to his family, his friends, his community and that day his life matter to compassionate strangers who tried desperately to give his life back. So why didn't his life matter to those who could have saved it on Dec 14th,2007. The answer is found in one word, a word that is written throughout his medical record that word is "uninsured." To me, Billy's worth as a human being was diminished because he was uninsured and poor.

I was very sad when Adult Basic was dumped by our Governor. I wonder why the lives of five hundred and forty two thousand Americans, who happen to live in Pa, didn't matter to a governor who took an oath of office to protect all of us. Were they too poor to be owed a quid pro quo? I wonder how many of the working poor we will we lay to rest, their worth as a human beings, diminished because they are uninsured and poor. I wonder how much suffering and death will it take for us to say enough is enough.

Today I am not asking you to feel my pain or to try and understand what a family with a loved who is sick and uninsured goes through because it would be to painful for you. I will ask you, please as our elected officials, through your words and deeds let us know our lives matter to you.

I will pray that God blesses with His good grace, it is a grace that will lead to do what is right and a grace that will give you strength to fight for us when it might be easier and more profitable for you to walk away from us.



March 24, 2011

## Testimony to House Democratic Policy Committee (Pittsburgh, PA)

**Submitted by:**

Erin Gill, Western PA Education & Implementation Coordinator for the Pennsylvania Health Access Network  
[egill@pahealthaccess.org](mailto:egill@pahealthaccess.org), (412) 512-9225

I want to thank the House Democratic Policy Committee for inviting me to testify today. My name is Erin Gill, and I've been the Western PA Education and Implementation Coordinator with the Pennsylvania Health Access Network (PHAN) since July 2010. PHAN is a statewide coalition of over 50 organizations from across the Commonwealth working to improve access to affordable, quality health care through the expansion of coverage.

I was grateful to have the opportunity to testify before this committee last week in Erie, and I'm always thankful for the chance to speak up for the nearly 1 million consumers our coalition represents. I'm here today to talk about how Pennsylvania can do right by the 1.3 million residents who are currently uninsured and to call attention to recent actions by Governor Tom Corbett and the new majority in Harrisburg that have left 42,000 of our neighbors without their adult Basic health coverage, and that threaten Pennsylvania's ability to move forward on implementing federal health reform, which is needed now more than ever.

What we should be discussing is how to implement the new federal health care law, the Patient Protection and Affordable Care Act, so that Pennsylvania families that have long struggled to find, keep and maintain affordable health insurance will finally see some relief. We should be talking about how to ensure that all those that have been shut out and priced out of the private market, or discriminated against over pre-existing health conditions, or forced to choose between food and medicine, finally feel the protections and new benefits brought by the new law.

But instead, we're here to talk about how some in Harrisburg are actively working to drag us backward, by engaging in partisan legislative tactics to slow down and block implementation, and by shutting off existing health care programs that have served as vital lifelines to thousands of hardworking Pennsylvanians.

I am here today to testify about H.B. 42, which could deny the 1.3 million uninsured Pennsylvanians access to health care afforded by the new law. H.B. 42, sponsored by Rep. Matt Baker (R-68) would prohibit Pennsylvania from enforcing the individual responsibility provisions in the Affordable Care Act. The Affordable Care Act opens up lots of new coverage options for people that don't have access to job-based insurance, for those have been denied the opportunity purchase insurance due to having a pre-existing health condition, and for those who have been shut out due to skyrocketing costs. If the law is implemented properly, everyone will have access to affordable insurance.

As you know, the whole point of insurance is to spread the risk. If we allow people—despite having new options for getting covered at a price they can afford—to wait until they're in desperate need of treatment before buying insurance, or to show up in emergency rooms when they're the sickest, we make the problem of soaring health care costs worse. But, by ensuring that people are taking responsibility and buying into the system, we can finally begin to bring costs down. Not to mention that it becomes virtually impossible to ensure coverage for folks with pre-existing health conditions, if we don't also ensure that healthier people are participating in the system—to spread the risk.

H.B. 42 is little more than a partisan distraction from the important work of implementing key parts of the new law like setting up Pennsylvania's insurance exchange, which must be operational by Jan. 1, 2014, and preparing the state's systems to receive those that will be newly eligible for Medicaid.

While the bill's supporters claim it is related to preserving individuals' freedom of "choice," the reality is that it would take away choices and remove new options from hardworking Pennsylvania families, and most importantly, it would drag us back to a time when insurance companies did all the choosing—where they dictated who got covered and what kind of care people received. Ask anyone who has ever had to battle their insurance company to get the care their doctor prescribed covered, or anyone that heard "denied" again and again as they tried to get covered how free they felt, or what kind of "choice" they had.

At this critical moment, when folks are struggling to maintain their health, their businesses and their livelihoods in this tough economic climate, we can not afford to be moving backward. The Affordable Care Act presents us with real opportunities to expand coverage and build a health care system that is there for people when they need it. It is critical that we move forward with implementation of the new law so that we can do right by Pennsylvania families.

Gov. Corbett testified yesterday before the Federal House Energy and Commerce Committee at a field hearing they held on health care reform in Harrisburg. At the hearing, the Governor said his goal was to "ensure quality and affordable health care" and he also highlighted the importance of preventive care to reduce the costs associated with treating and managing chronic conditions—which is curious, given his decision to let adultBasic expire, and given his continued opposition to the Affordable Care Act, which achieves both of those outcomes.

He also spoke of the need to increase competition among health insurers, something that the Affordable Care Act finally makes possible, by setting up state-based insurance exchanges, where consumers can choose between plans—that will compete for their business by offering quality, comprehensive coverage.

If the Governor is seriously committed to these laudable goals, he needs to reconsider his opposition to the Affordable Care Act—and certainly needs to reverse course on shutting down adultBasic.

Let me talk for a moment about adultBasic. We all know that earlier this month, 42,000 Pennsylvanians were left panicked about where to turn and what to do as they saw their adultBasic health coverage expire effective March 1<sup>st</sup>. As you know, adultBasic was a lifeline to thousands of Pennsylvanians who were caught in the middle—folks, ages 19-64, who made too much to qualify for Medicaid but far too little to afford health insurance on the private market. Many of these folks are self-employed, or work at one, two, sometimes three part-time jobs where employer-provided insurance isn't an option. To qualify for adultBasic, a person's income could not exceed 200% of the Federal Poverty Level—that's around \$21,600 for an individual or \$36,600 for an individual in a family of three. These are the folks making \$8-10/hour, who are struggling to make ends meet, provide for their families and keep the lights on. AdultBasic, at \$36 per month, allowed them to do this without sacrificing their health.

AdultBasic made sure that working people didn't have to fall through the cracks of our broken health care system. It allowed people who were doing everything right—working, doing their best to make ends meet—to not have to live in constant fear of being wiped out financially by one accident or illness. It gave people dignity, security and peace of mind that they could have access to health care when they needed it most. We cannot afford to leave all these folks out in the cold, especially when there are many viable options for funding adultBasic, or a program like it.

We all know the need for adultBasic is overwhelming. The statistics speak volumes:

- » 33% of the people on adultBasic are between 46 and 55 years old;
- » 2/3 are women;
- » 76% have been on the program for more than 2 years, with 32% having been on for over five years; and
- » Over 55% earn between \$10,000-30,000 a year

Every county in the commonwealth has adultBasic recipients. Here in Allegheny County alone, there were more than 4,200 residents on adultBasic. And we know the waiting list was staggeringly high—holding nearly half of Pennsylvania's 1.3 million uninsured residents. When adultBasic expired, the waiting list stood at 493,787 with over 40,000 of those folks just in Allegheny County.

The people who lost their adultBasic coverage are our mothers and fathers; they're our pastors, our caregivers, the people who care for our children; they're the small business owners in places like Greenfield, and they're our neighbors.

**Meet Denise Lohr.** Denise is 56 years old, owns a pet-care business in Pittsburgh, and after spending two uninsured years on the waiting list, finally got covered through adultBasic in 2006. Denise earns a little more than \$17,000/year and as someone who is self-employed, does not have access to job-based health insurance.

Having access to care through adultBasic, Denise was able to have a hip replacement last year and a spinal infusion in late 2010, treatments that she says she would "probably be an invalid" without.

Without adultBasic or a similar program, Denise would likely be forced to turn to Social Security disability, which her doctor says she would qualify for, based on her health conditions. But that would mean giving up her job to qualify. Denise said: "I'm trying to be a productive member of society, but with my medical issues, there's no way I could continue to pay for that level of insurance and continue working." She shouldn't have to make that choice.

**Meet Nick Balandiat.** Nick is from Baldwin, and is currently unemployed. He's had to take Coumadin (a blood thinner) since 1987 and will die without it. His father passed away from the same condition in his mid-thirties. Nick has to have his blood tested every few weeks to make sure he's taking the right amount of Coumadin, and would be taking a huge gamble with life by going uninsured.

Nick has been denied private insurance time and again for because of his pre-existing conditions and if not for adultBasic, would be uninsurable.

Nick said: "You take one pill in this country and you become uninsurable." AdultBasic gave Nick access to life-sustaining care; care that is now out of reach. Because he can't afford to stop getting treatment for his blood condition, Nick was forced to sign up for Special Care—a plan that will not even come close to allowing him to access the care he needs.

In a few minutes, you'll hear from Sheryl Sears, a Mom, Grandma and childcare provider who has relied on adultBasic since 2002, and is now uninsured and facing some potentially serious heart problems that she can't afford to have treated. There are no good options for Sheryl, or for all the others who lost their coverage, which is why we need a real solution now, before it's too late.

The Governor's so-called solution is not a viable one for the 42,000 people who saw their coverage shut off on March 1<sup>st</sup>. His alternative, a private plan offered by the state's Blue-Cross/Blue-Shield Insurers called Special Care, will cost folks up to four times more for extremely limited coverage. Folks are limited to four doctor's visits and 21 days in the hospital per year, for any reason; there is no coverage offered for things like diabetic supplies; and there is a \$1,000 limit on diagnostic tests and labwork. I hope we're all clear that this is in no way a solution.

The Governor has maintained his position that there is no money to continue adultBasic, even though he went on record supporting a six-month extension of the program during his campaign, and pledged to work with the new legislature, if elected, to work on finding a longer-term solution. Now, with his budget address earlier, he's confirmed adultBasic's fate by taking the remaining tobacco settlement money allocated to adultBasic and shifting it to items in the general fund.

We saw recently that some of this money—nearly \$200 million dollars—is now being directed to start up a business loan fund. That certainly calls into question the Governor's assertion that "there's no money for adultBasic," and more importantly, it calls into question his priorities.

The reality is that there is money for adultBasic. The state's Blue-Cross/Blue-Shield Insurers receive substantial tax breaks for being "non-profit" organizations, yet they've seen their surpluses grow from \$3.2 billion in 2002 to \$5.9 billion in 2010. Their surpluses have nearly doubled, despite their contributions to adultBasic under the Community Health Reinvestment Agreement since 2005—that agreement, as we know, expired at the end of the year.

What didn't expire, however, are the Blues' legal obligations to fulfill their "charitable missions" by contributing to programs like adultBasic. Their surpluses are healthier than ever, despite the worst economic downturn since the Great Depression. To put this in perspective: it would take just 2.6% of the Blues' cumulative \$6 billion surplus to fund adultBasic for an entire year. Given that, we don't think it's asking too much for the Blues to at least come to the table to discuss being a part of the solution.

Legislation offering viable funding sources has also been introduced in both the Senate and the House. But instead of looking for solutions, Governor Corbett and his colleagues would rather throw 42,000 more hardworking Pennsylvanians onto the rolls of the commonwealth's 1.3 million uninsured. Allowing this to happen will be disastrous for Pennsylvania families and Pennsylvania's economy.

What will happen if we fail to act? What happens if opponents are successful in their efforts to repeal the Affordable Care Act or slow down and pick apart its implementation in Pennsylvania?

It means that the ever-growing number of Pennsylvania's uninsured will have no hope of ever having the dignity and security that comes with knowing you're covered and can get the care you need; it means that people like Denise can do everything right, and still be shut out and priced out of the private insurance market; it means that children with pre-existing conditions can be denied care, that seniors won't get help with their prescription drug costs, and that 36,000 young adults in Pennsylvania will no longer be able to stay on their parents insurance.

And what happens to the 1.3 million uninsured residents who will not be able to get income-based subsidies and access to the exchange to purchase insurance?

In 2008, the national health policy organization Families USA released a report that shows that 2 people die every day in Pennsylvania from lack of health insurance. Research also shows that uninsured adults are more likely to be diagnosed with a disease once it's in an advanced stage. This means that uninsured women are substantially more likely to be diagnosed with advanced stage breast cancer than women with private insurance.

The numbers are sobering:

- » Uninsured adults are 25% more likely to die prematurely than those with private health insurance.
- » Three out of five uninsured adults under the age of 65 reported having problems with medical bills.
- » Over half of all household bankruptcies are directly related to medical costs.

Who pays the cost of those bills and who foots the cost for treatment of those forced to turn to emergency rooms when they're the sickest? We all do. We all pay the cost of the uninsured, through our taxes and with about 10% of our personal insurance premiums.

You've already from Georgeanne Koehler, who shared the devastating story of having to watch her brother die because no insurance company would take him.

How many more Billy Koehler's will we allow to die? How much longer will we put politics before people's lives? We have to do better than this. Reviving adultBasic and refusing to pass H.B. 42 will put us back on the right track—one that leads to securing access to good health coverage for all Pennsylvanians. We need to be moving forward, not back.

Thank you for allowing me to come before you today. I want to turn it over to Sheryl now, to talk about what she is facing, now that she's lost her adultBasic coverage. After that, we'll look forward to taking any questions you may have.



March 24, 2011

## Testimony to House Democratic Policy Committee (Pittsburgh, PA)

**Submitted by:**

Sheryl Sears, former adultBasic recipient  
1729 Beech Street  
McKeesport, PA 15132  
Home: 412-664-0752  
Cell: 412-478-7155

My name is Sheryl Sears and I am 63 years old. I have been on the adultBasic health care program since 2002. Although I've worked most of my adult life, including presently doing child care, I've needed assistance with health care. Before I was accepted into the adultBasic program, I did not have health insurance coverage for ten years.

Since I did not have preventive care during those years, I found myself with many health problems that might have been prevented had I had health care.

Since adultBasic was so affordable, at \$36/month, I was able to see my doctor when necessary, have the tests he recommended, and receive emergency care when needed.

Many people might think that having access to these medical services isn't that important, but not having health care can be life-threatening. After I received the cancellation letter dated Jan. 24, 2011 from Highmark stating that adultBasic was out of funds, I immediately started worrying.

Where else could I find affordable health care with a pre-existing condition? I want to emphasize affordable. We were offered Special Care at \$160/month, which is four and a half times what adultBasic cost—or Fair Care, at \$283/month, but with that you have to be without insurance for 6 months.

Shortly after I received that letter, I had a medical emergency and was rushed to the emergency room with heart and stroke symptoms. After treatments, I was scheduled for multiple tests: 2 MRI's, an echocardiogram, cardiac ultrasound and blood work—you should see the bill for that—it was almost \$5000 for that one day. At that point, I knew that I could not have a break in coverage and must take the insurance that was offered.

Since I am several dollars over Medical Assistance guidelines and 1 year and 8 months away from Medicare, by cutting adultBasic, the state of Pennsylvania has put me and others in what could be a life or death situation. I am now living in constant fear of a having a health emergency.

It's a really sad state of affairs when people's lives aren't a priority. This is a scary situation—people are really panicking, and we need a real solution.

Thank you for allowing us for to share our story and concerns.

**Statement of the  
Consumer Health Coalition (CHC)  
Before the  
House Democratic Policy Committee  
Regarding  
adultBasic and HB 42**

Consumer Health Coalition  
415 East Ohio Street, Suite 300  
Pittsburgh, PA 15212  
412-456-1877  
[www.consumerhealthcoalition.org](http://www.consumerhealthcoalition.org)

Good morning, my name is Beth Heeb, and I am the Executive Director of Consumer Health Coalition (CHC). I would like to thank the committee for providing me time to testify today on two very important and somewhat inter-related issues, adultBasic and House Bill 42. By way of background, Consumer Health Coalition is a nonprofit health care advocacy organization that was founded in 1998. Its purpose is to ensure that residents of Pennsylvania have access to quality, affordable health care and health insurance. One of the primary functions of CHC is to assist the uninsured with applications for public health insurance programs. We accomplish this by operating a helpline. CHC staff speaks directly with the uninsured, and whenever possible enrolls them in public health insurance programs. In those cases, in which an individual does not meet the requirements for such programs, CHC staff will direct them to free and low cost services and/or medications. By the time individuals reach us they have usually exhausted all other options. Many have previously tried to purchase private insurance and it was too expensive, or they tried to pay out of pocket for their care, but again it was too costly.

It is through the work of our helpline that CHC has listened to the struggles of the uninsured. Since its inception, CHC has witnessed a constant and steady increase in calls to its helpline, but nothing compares to the increases we have seen in the last few years, especially from pre-Medicare adults. As you all know, the economic downturn has led to tremendous increases in the rates of uninsured adults. With limited options available they are all too often left to fend for themselves. In 2010, our helpline saw a 39% increase in call volume over 2009. The termination of adultBasic only exacerbated this problem, for the first quarter of 2011 calls to our helpline are already up 40% from the first quarter of 2010.

I am testifying today to urge you to consider options for the uninsured, including the newly uninsured as a result of the termination of adultBasic, the underinsured, as well as to express my concern regarding HB 42.

I would like to start out saying that I am frustrated and angered by the current Administration's decision to terminate adultBasic, and I don't believe enough was done to identify a viable alternative for recipients prior to the end of the program. On

Thursday, March 17<sup>th</sup> I had the opportunity to watch the Senate Appropriations Committee budget hearing with the Department of Insurance. During the questioning the insurance department staff talked about the number of applications they distributed for Special Care versus the number that they had confirmed to have enrolled in the program. Over 20,000 applications were sent, but only 7,000 had enrolled.<sup>1</sup> I can't say that I am surprised. When Special Care was identified as an option, we knew it was a far inferior program, and not an adequate alternative. Not only is it too expensive it does not offer sufficient benefits. It is really only an option for those with very limited health care needs. If one has limited needs, and would struggle to afford Special Care why would they enroll?

AdultBasic was a safety net that provided participants peace of mind. It was truly the only affordable option available to these individuals, and without it many are suffering. As I'm sure you are aware adultBasic recipients have incomes below 200 percent of poverty, and 85 percent earn less than \$30,000 a year.<sup>2</sup> These are not individuals that have vast savings and other means to pay for health care costs or insurance. What's more, many have pre-existing conditions that only further aggravate the problem of obtaining insurance outside of adultBasic. Their medical conditions essentially price them out of the private market. The end of the program and lack of alternatives has placed thousands of people in hard times, and daily we are speaking with these people.

The adultBasic recipients that we are speaking with are in unimaginable situations. For example, recently we spoke with a woman that called because both she and her husband were enrolled in adultBasic. She didn't know what to do as her husband is sick and is in need of surgery. She also has medical conditions, but as she stated she's not as bad as he is. They can't afford Special Care for both of them, so she decided to purchase it for her husband, and is hoping they can afford the cost sharing. She was calling us to see what her options are. All we could offer her were names of free and low cost clinics in her neighborhood.

---

<sup>1</sup> Source: PA Senate Appropriations Committee Budget Hearing with the Dept of Insurance. March 17<sup>th</sup> at 3:00pm. Live on PCN.

<sup>2</sup> Source: adultBasic Sings the Blues. Pennsylvania Budget and Policy Center and PA Health Access Network. July 2010.

Another example, we recently spoke with a 63.5 year old female who's on oxygen. She could not afford Special Care, so she was paying for the oxygen she needs to breathe out of pocket. She was worried because the cost of her oxygen was too expensive, and she wasn't sure how much longer she was going to be able to afford it. In this case, our staff was able to refer her directly to a medical equipment company's hardship program with the hope that she could receive the oxygen at a cost she could afford.

Yet another example, a woman called us on behalf of her parents, both of whom were on adultBasic to inquire about their options. Her parents could not afford Special Care, so she thought she might be able to help with the cost. When told the price, she was devastated because she would not be able to provide enough assistance to get the insurance for both of her parents. Like in the first case, the family had to make a decision who should receive the care. In this case, it was decided that to be fair, neither parent would take Special Care. We referred the family to a federally qualified health care center.

A final example, an ovarian cancer survivor called our office. As a cancer survivor she must take a number of medications for the rest of her life to stay cancer free. While on adultBasic she received a discount on these medications, but without the program, and the discount, she can't afford them. Like others, she too could not afford Special Care. In this case we referred her to a pharmaceutical company, to inquire about discount medications.

These are just a few of the many situations that CHC has encountered as a result of the loss of adultBasic. There is no worse job than to work on our helpline right now. Our healthcare navigators are fielding calls all day long from individuals that are struggling. What's worse, 9 times out of 10 we can't help them. In most cases we are forced to make referrals to clinics and health centers that are already overwhelmed. It is simply depressing, and only further underscores the need for health reform.

This hearing could not have taken place during a better week. As you know this week marks the 1<sup>st</sup> anniversary of the Affordable Care Act, and since its inception thousands of Pennsylvanians have benefited. In 2010 there were 216,700 seniors in Pennsylvania that received \$250 rebate checks to assist them in paying for their

prescriptions when they entered the doughnut hole. Another 2,261,100 seniors are now able to access free preventative health services. There are 160,700 small businesses that are eligible for premium tax credits and 177,900 children with pre-existing medical conditions that are now protected against denials due to their medical conditions.<sup>3</sup>

Given our experience working for the uninsured, CHC understands how critically important it is to ensure that federal health reform is fully implemented in PA, and done so in a consumer friendly manner, that includes input from both consumers and consumer groups. The introduction and passage of HB 42 would substantially hinder the intent of the legislation, and would not only decrease the number of insured, but also increase costs for the insured.

The intent of the individual mandate was to ensure that not only the sick take advantage of health insurance, but also the healthy. If only the sick enter into the insurance market it would increase the risk pool and ultimately raise costs. In order to ensure that costs are kept down you must spread out the risk by having people with varying levels of risk in the pool. The Congressional Budget Office estimates that without a mandate premiums per person would be 10-13 percent higher in 2016 compared to 15-20 without one.<sup>4</sup>

What's more, when an individual without health insurance needs care they often incur bills they can't afford. This is known as uncompensated care, and it has to be collected. Currently, uncompensated care costs are collected from a variety of sources including federal, state, local, and private funds. The majority of the costs of the uninsured are absorbed by taxpayers. In 2008, national uncompensated care costs totaled \$57 billion. Approximately 75 percent, or \$42.9 billion, was paid by federal, state, and local governments. Nearly half of all costs for uncompensated care come from the federal government.<sup>5</sup>

Some of the remaining cost not covered by governments is recouped by providers and health systems raising the cost of health services charged to insurance companies. They in turn pass on the costs to you and me through higher private

---

<sup>3</sup> Source: Fact Sheet The New Healthcare Law. By Families USA March 2011.

<sup>4</sup> Source: Why the Individual Mandate Matters. Urban Institute. December 2010.

<sup>5</sup> Source: The Uninsured A Primer Key Facts About Americans Without Health Insurance. The Henry J. Kaiser Family Foundation. December 2010.

insurance premiums. This is often referred to as the hidden health care tax. A study conducted by Families USA found that the annual hidden tax placed on a family insurance plan is \$1,017 per year.<sup>6</sup>

As you can see currently, everyone else is paying for the cost of the uninsured and it only make sense that individuals take personal responsibility. For those that say people can enroll when they need to see the doctor. This is not a viable option either. It is well documented that persons without insurance avoid going to get care and instead wait until the illness is so severe that it can't be avoided. By this point the care is far more expensive than it would have been if treated early on, thus added unnecessary medical costs.

To reiterate, without the mandate there would be millions more uninsured, government spending would increase significantly, and uncompensated care would remain high, none of which is beneficial to the health care system or tax payers.

Before I finish I thought it might be helpful to take a closer look at who the uninsured are. Far too often I think people have misconceptions and incorrect stereotypes about the uninsured. Nationally, the majority of uninsured Americans, approximately 22 percent are adults; they are from working families, with six in ten having at least one full time worker in the family; 61% have only a high school education, which makes it difficult for them to find jobs that provide benefits; 40 percent of uninsured individuals have family incomes that fall below the federal poverty level; and 90 percent have incomes below 400 percent of the FPL.<sup>7</sup> The largest share of uninsured adults, are aged 35-54. The next largest group are young adults aged 26-34.<sup>8</sup>

Now that we know about the uninsured let's look at how the ACA affects them. First, the ACA targets the largest group of insured by expanding Medicaid and offering premium subsidies. The 90 percent of uninsured that have household incomes up to 400 percent of poverty would be eligible for either Medical Assistance or premium subsidies through the exchange, thus providing an affordable option to obtain insurance. Moreover, there will be caps on cost sharing available for individuals up to

---

<sup>6</sup> Source: Hidden Health Tax: Americans Pay a Premium. Families USA. 2009.

<sup>7</sup> Source: The Uninsured and the Difference Health Insurance Makes. Kaiser Commission. September 2010.

<sup>8</sup> Source: The Uninsured and the Difference Health Insurance Makes. Kaiser Commission. September 2010.

250 percent of poverty to limit their out of pocket expenses.<sup>9</sup> Young adults can now stay on their parents plans until age 26, and there will be catastrophic plans available for those young adults looking for low cost plans.

As noted previously, the ACA is already benefiting Pennsylvania residents, and the responsible thing to do is move forward with state level implementation. Economically it is the right thing to do. Morally it is the right thing to do, and it is the American thing to do. Thank you.

---

<sup>9</sup> Source: The Uninsured A Primer Key Facts About Americans Without Health Insurance. The Henry J. Kaiser Family Foundation. December 2010

Testimony of the Rev. Dr. Ronald A. Wanless, on Healthcare in Pennsylvania for the Board of Directors of United Methodist Advocacy in Pennsylvania at the hearing with Rep. Tony DeLuca at the William E. Anderson Library of Penn Hills, 1037 Stotle Road, Pittsburgh March 24, 2011.

I come before you today representing the Board of Directors of United Methodist Advocacy in Pennsylvania. United Methodist Advocacy is the social justice arm of the United Methodist Church in the Commonwealth of Pennsylvania. We represent 2,400 United Methodist Churches throughout Pennsylvania with about 500,000 members. Most communities in Pennsylvania have United Methodists churches in them. Our mission is to educate and empower United Methodists to engage state legislators and other state officials on social and governmental policy issues.

I am the pastor of Croton United Methodist Church located on the east side of New Castle, PA. My name is Ron Wanless. I have been a pastor for 42 years, most of which has been in Western Pennsylvania.

I come here today to state three positions of United Methodist Advocacy in Pennsylvania, all having to do with healthcare. 1) We are against privatizing state liquor stores, 2) against the cuts in Adult/Basic in Pennsylvania and 3) desire a moratorium on Marcellus Shale fracturing until better assurances for the protection of water supplies and infrastructure are available and more adequate equipment for water treatment plants are made available.

1) Let me start with keeping monopoly control over the distribution of wine and spirits. For United Methodists our standards, principles for our relationship to society and our church rules are contained in a book called *The 2008 Book of Discipline*. Within that book we state the following concerning alcohol under the heading “*Alcohol and Other Drugs*.”

*We affirm our long-standing support of abstinence from alcohol as a faithful witness to God’s liberating and redeeming love for persons. We support abstinence from the use of any illegal drugs. Since the use of illegal drugs, as well as illegal and problematic use of alcohol, is a major factor in crime, disease, death, and family dysfunction, we support educational programs, as well as other prevention strategies, encouraging abstinence from illegal drug use and, with regard to those who choose to consume alcoholic beverages, judicious use with deliberate and intentional restraint, with Scripture as a*

*guide. [(Para.) 162. L. 2008 Book of Discipline of the United Methodist Church, pg. 112.]*

We also have a book called *The United Methodist Book of Resolutions, 2008*. In our Book of Resolutions we state the official position of the United Methodist Church globally on many differing issues. The following are the official positions of the 12 million United Methodists throughout the world.

*Alcohol is a drug, which presents special problems because of its widespread social acceptance. We affirm our long-standing conviction and recommendation that abstinence from alcoholic beverages is a faithful witness to God's liberating and redeeming love.*

*This witness is especially relevant because excessive, harmful, and dangerous drinking patterns are uncritically accepted and practiced. Society glamorizes drinking, and youthful immaturity can be exploited for personal gain. **The costs associated with alcohol use/abuse are more than the costs associated with all illegal drugs combined.** Worldwide, millions of individuals and their families suffer as a result of alcoholism. The medical consequences of alcohol abuse include fetal alcohol syndrome—which is a preventable cause of mental retardation, cardiac defects, and pre- and postnatal growth retardation. Chronic alcohol consumption can have a damaging effect on every body organ, including brain, liver, heart, stomach, intestines, and mouth. Alcohol is a factor in many other social problems such as crime, poverty, and family disorder. The societal costs of alcohol abuse include lost productivity, increased health-care costs, loss of lives in vehicular accidents, and criminal activity. [2008 United Methodist Book of Resolutions, 3043.]*

Because of the concern of United Methodist Advocacy in Pennsylvania for the availability of alcohol we believe it is in the best interest of the health of our state to keep state operated liquor stores.

We are not alone in our belief. In 2,000 the World Health Organization of the United Nations completed extensive research on alcohol use and its impact on global health. In that study (which can be examined in the book, *Alcohol: No Ordinary Commodity, Research and Public Policy, Oxford and London: Oxford University Press, 2003*) one of the most productive and inexpensive ways of curbing and diminishing the impact of alcohol related problems was through government operated stores. In such stores fewer and in most cases no underage persons can gain access to alcohol. My son, who lives in White Oak did a non-scientific survey among his friends. Most of them are in their 30's. He asked them if they as youth ever got

alcohol from a state operated store. They all said they had not. The word on the street was that state operated stores were no place to get booze for under age people.

In those state stores hours can be limited, which limits availability and prevents alcohol abusers from compulsive purchases.

In those same studies in countries and states that maintained monopolies on liquor sales there has been less per capita costs for health care around alcohol use and abuse.

The WHO study supports our maintenance of state operated liquor stores in Pennsylvania.

I am a United Methodist pastor. As such I cannot leave scripture out. In the book of Galatians chapter 5 verse 21, the author, Paul, lists drunkenness as one of the vices that comes from living outside of God's will. The prophet Isaiah of Jerusalem, in chapter 5, verses 8 through 23, tells the leaders that their drunkenness is closely related to their denial of God and their mistreatment of the least, the lost and the lame. For me the closing of state operated liquor stores in Pennsylvania is an issue of healthcare, an issue of justice and an issue in which we need to consider the welfare of our youth. United Methodist Advocacy in Pennsylvania strongly supports the maintenance of State operated liquor stores.

2) United Methodists and the forerunners of our denomination have a long history of caring about healthcare. We state in our Social Principles *We believe it is a governmental responsibility to provide all citizens with health care. (The Book of Discipline, The United Methodist Church 2008, Para. 162 (v). Right to Health Care, pgs. 117-118.)* In that same section of our Social Principles we sight the prophet Ezekiel and say, *Providing the care needed to maintain health, prevent disease, and restore health after injury or illness is a responsibility government ignores at its peril. In Ezekiel 34:4a, God points out the failures of the leadership of Israel to care for the weak: "You have not strengthened the weak, have not healed the sick, you have not bound up the injured." As a result all suffer. (IBID. pg. 117)*

As United Methodists we strongly believe the decision to cut adult/Basic at the expense of 42,000 people, plus the half million on the waiting list who now have no hope of this coverage is immoral. We know that the state is struggling financially. However, we also know that we cannot let these people who are among the lower income levels go without care.

This is not a Republican or Democratic issue. It is an issue that with due diligence, proper and fair taxation can be cared for. I truly believe Ezekiel. If we do not provide for these thousands of people it will be at our peril. The future costs to us will be great if we do not take care of health needs of these needy people.

Let me quote one of my fellow pastors, The Rev. Jacob Waybright Chair of United Methodist Advocacy in Pennsylvania. Rev. Waybright said the following in testimony given before the House Democratic Assembly Policy Committee on March third of this year.

*Our message to Gov. Corbett: Please try to find a solution to this problem. Lives are at risk. Please bring the Blues to the table and find a way to make this work.*

*As non-profit organizations, the Blues have an obligation to serve the needs of the greater public. They have a sacred public trust to give back. They have a history of producing significant surpluses. It is just unfortunate that they have not been more willing to tackle this problem.*

As United Methodists from the time of our founder John Wesley in the mine fields of England and the slums of London we have advocated for the least, the lost and the lame of our society. We know that we Pennsylvanians can do better than to leave thousands without health care.

3) The issue of horizontal drilling for Marcellus Shale is also a health issue for Pennsylvanians. Let me share with you a resolution that United Advocacy in Pennsylvania expects each of our three annual conferences to pass on to the Governor and the state legislatures this summer.

#### *Background*

The State of Pennsylvania is underlain by a large rock mass full of natural gas called the Marcellus Shale. This shale has recently become a viable source of natural gas, through new drilling technologies. These new drilling technologies include a type of drilling called horizontal drilling. It involves a vertical well being drilled and then horizontal wells being drilled off the vertical one. Pressurized water, sand, and other fluids and chemicals are shot into the horizontal wells to fracture the rock, and allow for easier and larger gas recovery.

### *The Problem*

The hydraulic fracturing or hydrofracking of the shale can create multiple problems. The fracking solution itself can be toxic and dangerous to the environment, as of yet there is no procedure in Pennsylvania for the safe disposal of the fracking solution. It is simply kept in large retention ponds or reintroduced into our rivers and streams. The water treatment plants currently in place in most parts of Pennsylvania are not equipped to deal with the volume of water and the amount of dissolved solids, chemicals and other pollutants present in frack water. Add to that the fact that many people get their water from wells in rural areas, and we have a major problem on our hands. Wells are being polluted by frack water that has infiltrated the ground water table, water treatment plants cannot keep up with the volume of water, and some companies are just releasing the frack water back into nearby streams.

Dimmock, PA is an example of what can happen if frack water is allowed to infiltrate the ground water and drinking water of a town, community or state. Residents of the town are not able to use the water from their wells out of their taps due to extreme contamination by the frack water. Drilling companies must truck in bottled water for the town's use. That kind of "solution" is doing nothing but putting a band aid over a larger problem and in reality is not feasible on any level, let alone statewide.

In addition to the environmental problems caused by natural gas drilling, roads are affected as well. Many of the roads in rural areas are not built to deal with the heavy trucks that drive over

them day and night to get to drilling sites. They are becoming rutted, bridges are having to hold more weight than they were designed to hold, and some roads are becoming impassable all together.

### *Proposed Solution*

While the drilling of the Marcellus Shale has many drawbacks and unknowns, it cannot be forgotten that drilling has brought a new economy to rural poor areas, creating new jobs, revitalizing towns and providing an income to many people. Therefore, these solutions are focused on what can be changed and altered without completely shutting down the gas industry.

The first solution is to equip waste water plants with larger equipment and specialized equipment to deal with the influx of frack water, so they can properly treat it and have the capacity to treat it. Frack water should not be allowed to go into our waterways without some form of treatment to remove the heavy metals, dissolved solids and other harmful chemicals. If it cannot be treated, we need to create holding tanks for the water, until we can treat it.

The second solution is to put a temporary moratorium on all new wells to be drilled. We need to find ways to cope with the wells that are currently being used without the burden of new wells popping up every few weeks or months. While that moratorium is in effect, lawmakers and gas companies should look to other states like New York, Texas, and Colorado for rules and regulations on how to regulate the drilling and the after effects of drilling so that we can keep our water, environment and people safe and as unaffected by drilling as possible.

As with both of these solutions, we need to keep in mind that it is not just the water we are to be concerned about. No matter what solution is implemented time and money is needed to upgrade roads, water treatment plants, and the infrastructure of the communities drilling affects. Therefore, a tax on natural gas drilling is needed and should be implemented. The state and local communities cannot be expected to take the financial burden of these upgrades.

### *Conclusion*

Pennsylvania is a land of natural beauty and natural resources. A compromise needs to be made between the use of the resources and preservation of the beauty. Without this compromise the state of Pennsylvania and the people of Pennsylvania will lose.

These three issues may not all seem to you to be tied to health care, but they are. And United Methodist Advocacy in Pennsylvania believes we need to address all three of these issues as issues for the healthcare of us all.

We are told by Jesus that he came to bring life and bring it abundantly. (John 10:10b) For the sake of profits we cannot neglect our health whether it is relative to a state monopoly on wine and spirits, providing healthcare for those who are at the edges of poverty or making sure our water and environment is safe. We Pennsylvanians are a good people and we can address these problems with God's help and your good leadership.