

Statement of Amanda Buchanan
of Weiser, Idaho
before the Senate Committee on Health, Education, Labor & Pensions
hearing on
“What Women Want: Equal Benefits for Equal Premiums”

October 15, 2009

Mr. Chair, Members of the Committee:

I would like to thank you for giving me the opportunity to testify before this committee today. My name is Amanda Buchanan, and I live in Weiser, Idaho. I am the wife of a public school teacher and a mother to two young sons.

My husband transferred from a large school district to a small, rural one shortly after my first son was born. The decrease in income this change created was a compromise for our desire to raise a family in a small town. We have always been great at living simply and frugally – which came in especially handy as I had decided to become a stay-at-home mom. However what we weren’t prepared for was the astronomical cost of putting myself and my infant son on my husband’s group insurance policy. (\$760 a month on a \$33,000 a year gross income.) So, for the first time, I decided to get individual market coverage for the baby and me.

I quickly learned that in Idaho, as an individual searching for coverage, I had two options: Regence Blue Shield of Idaho and Blue Cross of Idaho. And the limited options available between these two companies were remarkably similar. In fact every single policy available, despite the premium and deductible level, came with an additional maternity deductible of \$5,000 (plus 20% of all remaining costs). At the time, my focus was on being responsible, which to me meant having insurance. I wasn’t planning on getting pregnant for some time and I really had no other choice.

Several months later, my husband and I found ourselves discussing the possibility of a second child. Instead of an intimate conversation between the two of us about goals and family, I felt like there were actually three of us at the table -- myself, my husband and our insurance policy. We had to decide if we could even afford to *have* a second child. And not “afford” in the sense of clothing, food, et cetera; but could we afford to pay a hospital bill? There I was paying a \$280 premium every month for the best individual market policy Regence offered, and I was having to debate if I could afford the medical bills from a routine pregnancy and delivery. I was very angry that an insurance company could set up a policy in a way that would either discourage women from getting pregnant altogether, or if they did become pregnant, force them to pay for basically the entire cost of a typical delivery.

My husband and I came up with a plan: I would have a baby, then take myself off of insurance and use the money I’d save to pay down our medical debt. And this is exactly

what we did. In the end, health care premiums, deductibles and the medical costs from the pregnancy and delivery ate up 28% of our net income in 2008. And this is even after the hospital wrote off our bill.

As it stands, our medical debts are paid. I remain uninsured. You could argue that I'm being irresponsible and creating a potentially disastrous situation for my family, and I would agree with you. But it would be impossible for us to come up with \$300 a month to cover me. We would be sacrificing any ability to save money for emergencies, and would most definitely be cutting into our grocery budget. As a mother, my responsibility is to my children and family. My sons remain well fed and insured. I also have the responsibility of taking care of myself. Fortunately, I am a healthy woman. Even so, my lack of insurance is a constant source of stress.

I am tired of the tactics insurance companies use to make quality coverage unaffordable. Tactics that include outrageous separate deductibles for the common condition of pregnancy. I do not trust these companies, and certainly do not believe that they will ever have the best interests of patients at heart. I want an affordable public option that will provide quality coverage and the assurance that out-of-pocket costs will be reasonable and fair. Health insurance premiums should be a part of every family's budget; however they should not be a crippling part.

My family could live comfortably on my husband's salary if our insurance premiums were reasonably proportionate to our income. We have made many minor sacrifices in order for me to remain at home with our children, however in this day and age, and in this great country I should not have to sacrifice basic health care coverage as well.

Thank you for your time.

For the record, I would like to submit a few additional points.

As I said, affordability is a key. As the Congress works to merge the House, HELP, and Senate Finance Committee bills, I hope you will put yourself in the shoes of families like mine. We need a good health insurance policy that is affordable and covers such life-events as childbirth. I've looked at the 'comparison' website of Kaiser Family Foundation. I typed in our family's approximate situation and compared the different bills' results.

The website does not allow me to enter our exact situation. So I typed in a \$35,000 gross income for a 30 year old in a family of 4 in a low cost area of the country, not eligible for group coverage. Your Committee's HELP bill would cost us about \$491 in annual premiums and we would owe on our medical bills about 7% in copays. The House bills would be about \$1,185 in premiums, and 7% of bills in copays. The Senate Finance Committee bill would be about \$1,728 in premiums and we'd pay about 20 percent of the bills in copays. The House and the HELP proposals' limits on out-of-pocket, in-network costs are lower than Senate Finance's. In a worst case situation, we could owe about 39% of our total income under the Finance bill—and a good chance of bankruptcy.

Please do as much as you can to move toward the best possible levels of affordability and catastrophic coverage.

Providing help to working families such as mine will take more money—or it will take more savings in the health sector. If the Congressional Budget Office says that a public option saves money, please include it in the new law. We need the extra competition. As I said, there is almost no real competition in my State.

Also, I've heard friends complain about the fine print, loopholes, and 'gotcha' aspects of health insurance policies. I hope the final law can retain the HELP and Senate Finance Committee provisions that define medical and insurance terms so consumers can compare apples-to-apples. I particularly like your idea of 'scenarios' of what it would cost to be treated for certain common conditions.

And I urge you to consider adding an idea I've heard that might help save money. In whatever "exchange" or "connector" marketplace established to help people shop, make sure that the consumer is told not just the premium cost, but also the estimated annual total cost, based on past medical history or on one's own estimate of one's health condition---for example, 'good health, fair health, poor health.' Consumers Union has some data that shows that when consumers can see an estimate of their likely total cost, they make much better choices than if they only have premium information available. And if they make better insurance choices, they will need less subsidy help with premiums, deductibles, and co-pays. Total estimated cost data will help everyone win.