

WRITTEN TESTIMONY OF MANNY K. SETHI, M.D.

BEFORE THE  
U.S. SENATE COMMITTEE ON  
HEALTH, EDUCATION, LABOR & PENSIONS

**STABILIZING PREMIUMS AND HELPING INDIVIDUALS IN THE INDIVIDUAL  
INSURANCE MARKET FOR 2018: HEALTH CARE STAKEHOLDERS**

THURSDAY, SEPTEMBER 14, 2017

## **Introduction**

Good Morning Chairman Alexander, Ranking Member Murray, and distinguished members of the committee. Thank you for the invitation to speak about the ongoing and serious challenges Tennesseans are facing in obtaining and maintaining health insurance.

I currently serve as President of Healthy Tennessee, a non-profit organization that my wife and I co-founded seven years ago. Our mission has been to improve the lives of Tennesseans through preventative care by way of education, statewide symposiums, and free health fairs for those in need. I am also a practicing Orthopaedic Trauma surgeon at an academic medical center, and today I speak on my own behalf.

## **The Challenges in Tennessee**

I am a product of rural Tennessee and the American Dream; my parents were both immigrants from India and doctors in the small town of Manchester. I learned my first lessons about health in our state as a boy, sitting shot-gun in my dad's blue 1980 Oldsmobile as he made house calls.

Thirty years have passed, but we continue to rank near the bottom for almost every chronic health condition. Recent statistics show that 13% of the adults in Tennessee have diabetes (we rank 46<sup>th</sup>), 34% are obese (we rank 42<sup>nd</sup>), and almost 39% of the adult population in Tennessee has high blood pressure (we rank 44<sup>th</sup>).

Our struggles to get healthy in Tennessee are directly related to the challenges we face in the individual insurance market. Seventy-eight of ninety-five counties have one insurer remaining. In one year, coverage rates have jumped anywhere from 44% to 62%. Some families are paying as much as \$3000 per month and have seen an increase of \$1000 in their monthly rates. In fact, over the past three years, premiums have risen by more than 139%.

There are obviously many health challenges in Tennessee, but the problem is certainly not a dearth of government spending. In fact, last year we spent \$12 billion dollars, 33% of our state budget, on healthcare. The opportunity costs of this spending are enormous and come at the expense of investments in education and infrastructure. Instead, we must focus on getting on the front side of this problem with prevention before it's too late.

Over the last seven years our organization has traveled across Tennessee, one community at a time, hosting preventative health screenings and utilizing patients' own information to educate them about their health. Our efforts are powered by local communities across Tennessee; an all-volunteer army of local nurses and doctors with boots on the ground who give of their time to help a neighbor.

## **Our Experiences**

From rural Appalachia to Memphis, we have seen patients who can no longer afford the rising premiums of the individual market – many have in fact opted to pay the tax penalty. We have cared for families in rural counties who have lost their coverage all together when an insurer pulled out. We hear these stories from hundreds of folks who attend our fairs.

I have personally cared for patients who were victims of near life ending trauma. Together after multiple surgeries and clinic visits, we built the bonds of trust that come with time, when suddenly these individuals found their insurance coverage cancelled. Having to play by the rules of the one insurer remaining in their county, they were forced to find a new doctor. I had an unbreakable bond with these patients, but it all changed due to circumstances out of our control. I just don't think that's right.

My dad always told me, "People don't care what you know until they know that you care." So, at our health events we start with a lot of listening. In fact, we spend months meeting local community leaders to understand the best path forward in each area we visit.

I will never forget the trucker we met in Hawkins County. His Body Mass Index (BMI) was over 50, consistent with severe obesity, and his blood pressure was out of control, measuring 200/100. As I spoke with this gentleman, I heard the story of a very proud and hardworking Tennessean who struggled to make ends meet and didn't want a hand out. His income was too high for a subsidy on the individual market and he just simply couldn't afford the insurance, or a basic blood pressure pill for that matter.

With premiums that have doubled since 2014 and no government subsidy, he was priced out of coverage like so many of our citizens. Rising premiums led to 30,000 Tennesseans leaving the individual market last year alone.

Together, we discussed diet, weight loss, and physical activity as conservative measures to help him. As our conversation progressed, I could see the light bulb turn on. He understood.

## **Potential Short and Longer-Term Solutions**

I personally believe that repeal and replace was our best option to find a more patient centered system that offers greater access and patient choice at affordable rates. But now, we find ourselves in a moment where the individual market in Tennessee is in critical condition and on the verge of collapse. We must rapidly take action, and I view the potential solutions through the lens of a trauma surgeon. We must first stop the bleeding, then work on getting healthcare healthy again.

We must take three steps immediately. First, in order to stabilize the insurance markets, we must continue the cost sharing reduction program (CSR). Premiums are rapidly rising as insurers fear they will be left bearing the costs. These soaring costs are forcing young members out,

saturating the market with higher-need and higher-cost patients, and further escalating prices in a troublesome cycle.

Second, we must quickly create risk pools for those individuals with serious chronic conditions, allowing more affordable coverage options for young, healthy citizens.

Third, I believe a one size fits all plan from Washington D.C. doesn't meet the needs of Tennesseans. Open the door for innovation and allow more flexibility for states to create their own insurance products. For example, a catastrophic plan should be available regardless of age or income status, which is currently not the case.

In the longer-term, to tackle this crisis we must focus on the rising costs of healthcare with an emphasis on incentivizing healthy behaviors and creating more transparency around pricing. For example, health savings accounts send a powerful message about wellness to the consumer. We must also transition healthcare reimbursement towards a value based care model to incentivize improved outcomes.

Finally, we need less talk and more action about prevention – more spending won't fix this problem. What ever happened to common sense approaches? What's wrong with using our resources on the front end to prevent chronic diseases from developing, instead of wasting billions of dollars when it's too late?

## **Conclusions**

To make real progress, we must empower communities and not the federal government to create local solutions. If we trust our citizens, we will meet with success. People want to help people; government just needs to get out of their way.

It is an honor to be with you today. Thank you for this opportunity, and I look forward to answering any questions you may have.