

United States House of Representatives  
Committee on Oversight and Government Reform  
2157 Rayburn House Office Building  
Washington, DC 20515-6143

**Testimony of Heidi Bleazard**

Provided to the United States House of Representatives  
Committee on Oversight and Government Reform  
July 17, 2008

My name is Heidi Bleazard. My husband, Keith, and I reside at Logan, Utah. Keith and I have a blended family. I have nine children and Keith has five children. Some of my children are now grown, and we have one granddaughter.

I am here to testify about the problems I had with Regence, Blue Cross and Blue Shield of Utah rescinding my health insurance coverage.

In February of 2005, Keith and I decided we wanted to obtain an individual policy of health insurance for ourselves. We had two friends who were health insurance agents, Doug Thatcher and Troy DeLair. We met with them a few times, and filled out applications for health and life insurance, and a nurse came out to complete more detailed paperwork. On one of the forms Keith marked that he had a history of back trouble, but wasn't sure what to write in the comment section on the back. We consulted with Doug who had a complete knowledge of Keith's back history having similar difficulties with his own back, and having discussed and compared those similarities including medicines and doctor visits over time. After discussing that issue, Doug Thatcher, one of our agents, wrote in the application that Keith had "slipped disc in back, had surgery 1996, full recovery" on the application form. Doug assured us the paperwork was filled out satisfactorily and we trusted his knowledge of what information the insurance company needed.

Keith had back surgery in 1996 for a herniated disk and went three years without any pain or trouble of any kind. Later Keith pulled his back playing basketball and developed back pain that his Doctor helped him control with medicine. He has since carried on his normal active life including his job in floor covering – involving rigorous physical labor, and a wide variety of physically rigorous activities such as hockey, snowmobiling, and being an active member of a Search and Rescue team.

The medicine and doctor visits were detailed by the nurse on another form. We thought all the forms were being used together by the insurance companies as well as our medical records, which we signed a release for them to use, to make their decisions.

Our agent submitted the application to Regence and we received a letter in March of 2005 from Regence indicating that our application had been accepted and we had health insurance coverage.

On August 18, 2005, I was involved in a serious mountain biking accident. I broke my neck in two places and my back in five. The C-2 fracture in my neck was called a “hangmans” fracture, a complete break in the neck from over extension. My physicians told me that the fracture is so severe, many individuals die as a result of it. The fractures in my back were “impact fractures”, which shatter the bone at the point of greatest impact. I also had a pulmonary contusion, three broken ribs, and a brain injury. Several hours of neurosurgery were performed to save my spine. I spent three weeks in the hospital and a physical rehabilitation unit, and I am continuing to do physical therapy. My medical bills are over \$100,000.00.

In November of 2005, when the medical bills were reaching a peak, Regence notified us they would be looking into our medical records. Then in a letter dated January 17, 2006,

Regence notified Keith and I that they were rescinding our health insurance policy retroactively. They claimed that Keith failed to provide information in the application about his medical history relating to his back. Regence did not respond to our attempts to talk with them to find out where the misunderstanding came from.

Regence had accepted the claims and paid for Keith`s medicine and Doctor visits without any problem for most of a year. Having signed the release of records at the time of our application, and being open with the agents and the nurse, we had no reason to suspect Regence was missing any information. Only after the bills from my accident were mounting did they notify us of a problem.

Later we learned they had not received the nurses report detailing Keith`s pain medicine and doctor visits, and that these things should have been included on the form Doug helped us fill out.

Regence did not try to talk to either me or our agents before they rescinded the policy. If they had, we would have told Regence that our agent and the nurse knew all of Keith`s medical history including the fact that he took pain medication for his back. We would have told Regence that the insurance agents filled in the language on the application explaining Keith`s back condition. We would have informed them that the agents had assured us that the information on the application was sufficient to explain Keith`s condition. We had no intention of misleading Regence to any degree on our application.

Had Regence returned a copy of our application with our healthcare policy as prescribed by law, at the time of our acceptance, we would have had the opportunity to question where the rest of the paperwork was and perhaps avoid the future confusion. A copy of the policy and our

application would have also given us a reference to use for questions later.

As a result of Regence's improper retroactive cancellation of our policy, Keith and I have been extraordinarily concerned about how we would pay the medical bills that I have incurred. We have incurred expense to hire an attorney and we have spent significant time and energy dealing directly with health care providers.

I am anxious to see insurance companies such as Regence be prohibited from rescinding insurance coverage without making a thorough inquiry into the facts and circumstances surrounding the application of the insurance. In our situation it was completely inadequate to simply look at the application and compare it to Keith's medical records. Had Regence understood that Keith's back condition was completely disclosed by us to Regence's own agent before the time the application was filled out and that the agents themselves wrote the information in on the application, I do not believe Regence would have felt that it was appropriate to retroactively cancel our coverage.

I appreciate very much the opportunity to appear before this committee to provide information about our circumstances. Keith and I are working hard to provide for our children and to live as responsible citizens. We have never had any trouble with creditors or with the law at any time before. We are honest, hard-working people who are simply trying to make ends meet. I believe that Regence has taken advantage of this situation to get out of paying the large medical bills that are associated with my biking accident. Any help that you can provide in making sure that this type of abuse of people who receive health insurance does not happen in the future would be most welcome for Keith and me.

Dated this \_\_\_\_\_ date of July 2008

---

Heidi Bleazard