

Good morning, Chairman Issa, and members of the committee in attendance today. Thank you for taking the time to come to our “neck of the woods” to learn more about how the new health care law is impacting our day-to-day lives. Too many times, leaders in Washington forget they represent real people with real challenges. You are to be commended for taking the discussion outside of the Washington “bubble.”

My name is Joel Long and I am the CEO of GSM Services/Gastonia Sheet Metal, Incorporated. We are a third-generation heating, air conditioning, and commercial roofing company founded in 1927. My brother Steven and I own and operate this business and employ 146 co-workers.

I applaud your efforts today to hold this hearing on one of the most important issues facing the citizens of our nation. I cannot think of an issue that touches more people than health care.

For the purpose of my remarks here today, I would like to ask that you not look at me as a business. I would ask that you instead look at me as a job creator. As such, I would further ask that my remarks be received as coming from someone who has worked to help create, build and improve the quality of life for those living in my community, as well as a provider for the foundation of a quality career for those who work in my company; my co-workers.

I am the job creator who must live with the very decisions and policies Congress and the regulatory agencies establish which either improve or inhibit my ability to create jobs. I am the job creator who believes our government must be a partner for our mutual success. I am the job creator who believes the business community has been asking for many years to be treated as partners with lawmakers – not as the opposition.

In my limited time, I would like to touch on two of the most important ramifications we are experiencing in the business world related to health care reform.

Rising Insurance Premium Costs - One of the most talked about issues during the health care reform debate was that rising insurance premiums need to be brought under control. I couldn't agree more. But in my experience, that's the difference between policy and the real world. For my company, while our rates have risen consistently over the last decade, we have maintained a strong partnership with our insurance company and co-workers and believe our current insurance plan has evolved into a plan that is providing excellent coverage at affordable rates for our co-workers.

GSM Services history of health insurance rate increases since 2004

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
+1.08%	0.0%	14.6%	7.1%	5.0%	12.4%	10.0%	12.0%	0.0%	0.0%

GSM Services 2013 Health Insurance Rates

Employee Only	\$212.86
Employee/Dependent	\$406.55
Employee/Family	\$653.46

(Rates/Per month)

In 2011, we transitioned to an HRA Plan that allowed our coworkers to enjoy the low rates of a \$10,000 deductible and also protect them and their families from large

expenses in case of a health issue. Our plan is a partnership between GSM Services, our coworkers, and our insurance company. GSM Services pays the first \$1,000 of our deductible, Co-workers pay the next \$2,000, and we both split the next \$7,000 evenly. Total out of pocket expense for our co-workers is \$5,500 per year per family in case of a large health event. Most of our coworkers never exceed the \$1,000 deductible GSM pays.

In our 2012 plan year, GSM had a potential HRA medical liability of \$481,500 and we only paid \$41,532. Our prescription benefit under the HRA had a liability of \$72,000 and we only paid \$1,906. (A testimony of our coworkers usage of 85% generics) . Our total HRA Potential Liability was \$553,500 and we paid out \$43,438. Numbers do not lie! This is a testament to the effectiveness of this strategy for GSM and our co-workers!

Our company, our coworkers, and our insurance company were happy with this agreement. With this partnership! We were all successful! It was our plan!

As of this date, we have been forced to change our renewal date from May of 2014 to December of 2013 to avoid the projected _____% increase in our rates as our current plan will no longer be offered by our insurance company next year. This early renewal is an attempt to delay our increase as long as possible in the hope that legitimate changes will be made in 2014 so companies like ours can continue to offer better and more affordable options to our coworkers.

Confusion – there is no debate as to the confusion this new law has created...not to mention its implementation. That said – we as a business cannot operate on

unknowns. We cannot plan or budget on what we do not know or do not understand – and as we work to understand the law, we now see the confusion of those who are charged with its implementation. The chaos of pricing, policy cancellations and quality has caused instability. As business professionals, instability and chaos are our enemies. We seek real numbers that we can anticipate. A sweeping policy change like health care reform should have been better planned and implemented – the lives that are impacted by the instability of the new law are not statistics, they are the lives of real people.

The confusion of the unknown combined with the unexpected and extravagant increases in the cost of providing health care insurance are absolutely stifling my ability to create, provide and sustain jobs. Again, I am a job creator, and I have yet to understand how we as a nation can continue to state that we need to create more jobs, yet challenge, threaten, or even ignore the very mechanisms for job creation.

Thank you for the time today. I applaud your attention to our needs as citizens of this great nation and ask that you fix this issue so we can get back to the work of running our businesses and providing for our families.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI, Clause 2(g)(5)

Name:

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2011. Include the source and amount of each grant or contract.

NOT APPLICABLE

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

GSM SERVICES

CHIEF EXECUTIVE OFFICER

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2010, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

NOT APPLICABLE

I certify that the above information is true and correct.

Signature:

JOBE LONG

Date:

11-20-13
