

Jonathan W. Siegel, Citizen

Testimony Prepared for the Hearing "Fraud, Waste and Abuse Under the Affordable Care Act"

Subcommittee on Health Care, Benefits, and Administrative Rules

January, 31, 2017

Thank You Mr. Chairman, Mr. Ranking Member, Members of the Committee:

It is a pleasure to be with you here today. I come not as an expert on healthcare but simply as a husband, a father and an independent businessman.

For the last 17 years my spouse and I and our two children, who are now young adults, have lived in Brighton, a suburb of Rochester, NY. For most of our time there we purchased insurance as most people do, through our employer, in my case Harris Interactive.

In 2012, I became one of the hundreds laid off by that company over a decade as it struggled and ultimately failed to survive. As part of the process for obtaining unemployment insurance, New York State informed me that I was very unlikely to find employment in my field in Rochester and that I should consider starting my own business. I was 56, with one child still in high school and the other just having graduated.

I was lucky. I got a decent severance package which provided the resources for me to continue my insurance through COBRA at about \$2,000 a month for the rest of 2012 and 2013. I also had a former colleague who was launching a small market research agency and invited me to be one of the founding partners. Most importantly, by the time we launched the firm, the effective launch of the ACA was only a year away. My COBRA insurance though expensive would get me to then.

Because of the ACA I could start this new business with the assurance that my family would continue to get affordable insurance no matter how the business did. Starting the business meant carefully watching our spending--we moved to a smaller house and cut back on other expenses--but thanks to the ACA we did not face financial ruin if something happened to our health. Without the ACA, I would not have had the courage to launch my own business, but would have instead sought the sanctuary of more traditional employment despite the view of New York State that the odds were against me.

We have purchased our insurance without subsidy, a gold plan through MVP, on the exchanges since then. The current premium is about \$1,360 a month, plus an additional \$60 or so a month for dental insurance, much less than I had paid under COBRA for insurance that is comparable. It is not just our ability to purchase quality insurance today that matters. New York State took the Medicaid expansion so now I know that no matter what happens to me, even should I die, that my family can get good affordable insurance.

This is a real issue for us. My spouse of 30 years has MS. She is one of the bravest people I know, taking her shots religiously for over 20 years and living with the uncertainties of this disease that results from

the rolling of G_d's dice. The cost of her medications is huge, over \$30,000 a year at free-market prices. Yes, we along with others have benefitted from a manufacturer's program that gives some people access to their meds without charge, though we never know when the program might end. Even so, there is the cost of ongoing doctor visits, MRIs and other tests. We know not what the future holds.

The ACA and the Medicaid expansion also protect my children, now 21 and 23. Like many young people, they are struggling to find themselves in this world. They are both working at jobs that do not provide health insurance and offer no job security. We make sure they have it today and the ACA assures that we can continue to do this until they are 27.

I cannot tell you how much of a comfort it is to an aging parent to know that under the ACA once they are 27 that they are assured of access to quality health insurance through Medicaid if they are not able to find an employer who provides insurance or do not make enough to purchase insurance through the ACA Marketplace. It means that there is at least one thing I don't need to worry about; they can get health insurance and healthcare no matter what happens to their mom or to me and no matter their employment situation.

The ACA has thus helped me go out and start my own business, protected my wife from the potential financial burdens of MS and assured me that my children, whatever else may happen to them or to us, need not go without health insurance or health care.

All of this is now in question because of the possible replacement of the ACA with insurance options that seem unwise, inadequate and discriminatory. I fear for my health insurance coverage, and even more for my spouse and my children.

We may not receive subsidies, but we are not making that much more than the cutoff point for subsidies. About 20%-25% of our gross income goes to pay for medical and dental insurance and health care (including deductibles and co-pays). What that percentage will go to if purchase becomes voluntary and insurers can peddle anything they want, skimming away those lucky enough for a short time to be perfectly healthy, G_d only knows; especially if you take away the power of New York State's insurance commissioner to approve plans.

What happens to us if the cost of adequate insurance goes up to \$3,000 or more a month? How can anyone afford that? For years on end? My spouse is, after all, only 57 years old. What happens if no one will insure her at any price? And what happens to her if my business fails or otherwise comes to an end?

Now, some people say that high risk pools are a solution to this problem. Just put folks like my spouse in those pools and the cost will come down for everyone else. And by some miracle she'll be covered.

There are few more frightening terms in this world than 'high risk pool'. It is, first, a miss-statement. My spouse is not a high risk. Doctors have a good feel for MS and how it progresses and the treatments that are available. It is in fact us, the healthy, who are high risk because we do not know what illness will strike us yet, though we know something will eventually. So these pools are really pools of 'current

high cost citizens'. And that is a clue to the real complaint some of you have about my spouse: she has the nerve to need expensive care to treat an illness.

Once it is clear that it is the cost, not the risk, that is the problem, it should also be obvious why so many of us distrust 'high risk pools'. To work for the patient, you have to have clear rules for who gets in them, you have to assure that they don't pay more for insurance than they would pay if they were not in the pool, and you need to assure that they get all the care they need.

So far, in all the discussion of high risk pools, I see no mechanism in anything that has been proposed that will do that. We have, instead, just vague promises that Federal and state governments will allocate money. The amounts we have heard such as \$25 billion over ten years from the Federal government, for instance, are laughably inadequate.

So, though it may sound harsh, it seems to me that a better name for 'high risk pools' is 'death pools'. The goal seems not to provide health insurance or health care but, rather, to shunt off to one side the folks who cost too much, whose fate is too hard, and let them die out of sight and out of mind. My spouse is not someone to shunt off, to cast away; she is a human being who has as much right to quality health insurance and care at a price she can afford as any of us.

So high risk pools are not insurance or healthcare. They are just vicious cruelty to ordinary Americans who've worked hard, played by the rules, but have had a little bad luck, bad luck that it is the purpose of insurance to cover. How anyone in public office can propose this is beyond me.

I am also frightened by some of the proposed changes to Medicaid. The thrust of most of these proposals seems to be to reduce Medicaid spending by reducing what it covers and tightening eligibility. Paint it as you will, but the real goal seems to be punishing low-income people for the simple sin of being low income. There's a good chance that will include my children. My children, and all people with low income, imperfect and struggling though they may be, do not deserve this; they are children of G_d just like the rest of us.

It is, I think, easy to misunderstand the importance of the ACA in two ways. One is to get so tangled up in the details of public policy that one loses sight of the people affected. I hope I have helped you avoid that problem. The other is to get so focused on individual stories that one misses what the debate about the ACA means for our country.

The story of the ACA is not just my story or the stories of millions of other people. It is first and foremost a story about democracy. Democracy is not just a set of rules about who gets power and under what conditions. Democracy at its core is about creating the assurance of equal dignity to all citizens. The ACA furthers this profound democratic goal. It liberates citizens from fear and ill health; enabling them to start a business, care for a parent, or help launch their children on their life voyage.

The argument about the ACA is thus the latest battle in the unending struggle that Lincoln so nobly declaimed about many years ago on a battlefield not far from here, the struggle that our forebears so willingly made the ultimate sacrifice to advance, the struggle that to me defines the United States and

the highest purpose of citizenship, the struggle to assure that “government of the people, by the people and for the people shall not perish from the earth.”

Thank you.

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

Name: Jonathan W Siegel

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2014. Include the source and amount of each grant or contract.

None

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

None

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2014, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

None

I certify that the above information is true and correct.

Signature:

Date:

Jonathan W Siegel

11/26/2017

Jon Siegel Short Bio

Jon Siegel has over 40 years of experience designing, conducting and analyzing surveys and 30 years of experience in the marketing research industry. His technical areas of expertise include survey and question design, sample design and data analytics, with particular interests in attitude formation and change and segmentation. Over the years he has conducted research in almost every substantive area you can think of from financial services to advanced technology products to public opinion and political polling.

Jon is one of the founding partners of Meliora Research, an innovative market research consultancy in Rochester NY. Meliora is committed to harnessing the power of technology to make professional quality market research available to businesses and non-profits of all sizes through a mix of creative coaching/consulting and innovative solutions.

Prior to joining Meliora, Jon was a Senior Vice-President with Harris Interactive where he held several senior management positions, most recently as head of the Marketing Sciences group, where he had been a senior consultant since 2004. From 1999-2000 Jon directed Election 2000, the largest polling effort in the history of the United States and the proof case for the validity and accuracy of Internet-based research. As head of Harris' largest business unit from 2000-2004, Jon directed the General Markets vertical to double digit annual sales growth.

Jon resides in Brighton with his spouse of 29.6 years. He is an avid fan of the USWNT (soccer).