

**Testimony on Substitute House Bill 119 Before the House Finance Committee
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Good morning, Mr. Chairman and Representatives of the House Finance Committee. My name is Paula Novak. My husband Jeff Novak and I have three children and we live in Lebanon, Ohio. Today I represent my family and many others like ours that are employed, hard-working and yet struggle to maintain adequate health care coverage. This becomes particularly true when one person in the family has a chronic illness or disability. In our situation, our youngest son, Seth, who is three-years-old, suffers from Downs Syndrome and related health issues.

My husband Jeff is a self-employed construction consultant to churches. Currently Jeff and I and our two older children are covered through private insurance that we purchase for a total cost of \$444 monthly for the four of us. Our youngest Seth remains on Medicaid, but his coverage is very tenuous.

In January 2004 our family was covered by Anthem Blue Cross and we were paying a premium of about \$535 per month. Seth was born January 8, 2004. Medicaid covered Seth's birth because we did not have a maternity rider on our policy. During that same month the Anthem policy came up for renewal and the premium jumped to \$800 per month. Jeff was not working in early 2004 due to surgery, and our income qualified us for Medicaid, so we dropped the Anthem policy. When Jeff returned to work and the business began to produce a better income we got transitional Medicaid, which ended in January of 2007. In January 2007 we were able to pick up a policy with Medical Mutual of Ohio for \$444 per month, but they declined to cover Seth because of his Downs Syndrome. At that time I checked with six insurance companies and dozens of agents trying to find coverage that would include Seth, but were told the only way to get Seth covered was to go through "open enrollment."

Open Enrollment is a requirement of the law that the insurance companies will once a year take anyone regardless of preexisting condition. I attempted to enroll Seth during open enrollment and

was quoted premiums ranging from \$1,200 to \$1800 per month, just for Seth. We cannot afford this additional premium on our current income.

At the present time my family remains covered by private health insurance except for Seth. Seth is temporarily on Medicaid while the Department of Job and Family Services determines whether he qualifies for Medicaid based on his disability. However, it is our understanding that even if Seth qualifies for Medicaid, our spend-down will be very high because we will have to meet the disability income standard of 64% of the federal poverty level. For our family the monthly spend-down amount will be higher than the \$1,200 to \$1,800 per month insurance premiums.

Our adjusted gross income for 2006 was about 250 percent of the federal poverty level. Our quarterly adjusted gross income for the first quarter of 2007 was still over 200% of the federal poverty level. My husband Jeff and I thank the committee for supporting the expansion of children's Medicaid coverage to 300 percent of the federal poverty level. This will provide financial relief and peace of mind for our family's current situation because Seth will qualify for coverage based on income and we will not have to meet the disability spend-down requirement.

We also urge you to find a way for families with incomes exceeding 300 percent of the federal poverty level to buy into Medicaid. We are working hard to grow our business, and it would be a great hardship to have to come up with \$1,200 to \$1,800 per month to provide health insurance to Seth, should our income creep over the 300 percent level. If our income goes over 300 percent of the poverty level we are willing to pay something to buy Medicaid for Seth, as long as it is within our means.

Mr. Chairman and members of the committee, my husband Jeff and I thank you again for expanding coverage for children to 300 percent of poverty. We encourage you to develop a cost-sharing program for families above that income level so that our family and others do not become financially disabled because we cannot afford health care coverage for every one of our family members.

Thank you for the opportunity to speak before you today. I would be pleased to answer any questions you may have.