

Testimony of Lee Anne Fitzpatrick
before the
Senate Select Committee on Aging
on the date of April 3, 2008
on the subject of
**Scrambling for Health Insurance Coverage:
Health Security for People in Late Middle Age**

Chairman Kohl, Mr. Wyden, and members of the Committee, thank you for inviting me here today to share my story with you.

My name is Lee Anne Fitzpatrick and I am 57 years old. When I was five, I was in a serious accident, and two surgeries were required to save my life. The accident has left me with “pre-existing conditions,” which have presented me with additional problems when looking for insurance.

As Mike already explained, I currently have insurance but that has not always been the case. Before joining Paloma Clothing, I worked for 10 years as a nurse, owned my own restaurant for 12 years and a flower shop for one year. When I was self-employed, I applied for an individual health insurance plan from Blue Cross. They sent me a letter stating that they would insure me, except for most of my internal organs. They would not cover my internal organs because of the accident I had when I was five years old and the health problems that resulted from it. I did not purchase the insurance, and instead went without health insurance for about a year until my husband, Chip, got a job that gave us health insurance. Soon after, I was admitted to the hospital, where I spent the next month and had two surgeries. The bill was around \$75,000. Thankfully, about 80 percent of the cost was paid for by my insurance. After being discharged, I was unable to work for three months. I remember how fortunate I felt to have had insurance when I became ill. During Chip’s last year at Intel, he was diagnosed with cancer and underwent surgery to treat it.

In 2006, my husband was laid off from his job. At that time, Paloma Clothing did not offer employees a health insurance plan, so we chose to go on to COBRA to avoid losing insurance. Our monthly payment was the entire cost of the premium – almost \$1,000.

When my husband was laid off, I explained to Mike that I would need to find a new job with health benefits. I did not want to leave my job but the fear of being uninsured and the burden of paying out-of-pocket for insurance for two adults with pre-existing conditions, as well as a history of illness, made it necessary. I am fortunate to have an employer who cares enough about his workers to make the difficult and costly decision to offer them health insurance.

As Mike has stated, our accountant gave the green light to obtain coverage and I undertook the task of finding a plan that would work for me and the other employees. Much of my original research on insurance was conducted via word of mouth referrals and calling insurance companies directly. Plan comparisons took a great deal of time and involved a subjective decision-making process. All had big bucks riding on making the right decisions for Mike's business.

Paloma Clothing is in the midst of changing insurance providers due to an increase in cost. Under our old coverage, Mike paid 85 percent of the monthly cost of the plan, or \$2662.90. Under the new plan, Mike will still pay 85 percent, but his monthly cost will fall by about \$450 a month, to just over \$2200 per month. Even with the reduction in cost, offering insurance to employees will continue to be a stress on the financial security of Mike's business. As he mentioned, all we can do now is hope that the business makes a profit greater than the cost of health insurance.

It baffles me that, in a country of such opportunity and wealth, so many of us live in fear of losing our financial security due to the lack of access to health insurance. My husband and I are lucky that I work for an employer who with considerable financial difficulty, is able to offer me health insurance. Not all employers are in his position. As a small-business employee, I believe that we must find a solution to the ever-increasing cost of health care in our country.

I hope that the testimony given today will inform and guide you to crafting a solution that will lift the costly burden of health care, as well as reduce our fear and uncertainty. Thank you.