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43rd House District
Toledo (p) | Ottawa Hills

Standing Committees
Transportation, Ranking Member;
Behavioral Health;
Finance;
Public Health Policy;
Economic & Workforce Development

Michele Grim
State Representative

Before the House Insurance Committee

House Bill 174- Establishing the Ohio Health Care Plan

(Single-Payer Universal Health Care for All Ohioans)

Sponsor testimony provided by Representative Michele Grim

September 20, 2023

Chairman Lampton, Vice Chair Barhorst, Ranking Member Miranda and members of the House Insurance Committee, thank you for the opportunity to provide sponsor testimony alongside my joint-sponsor, Representative Skindell, on House Bill 174.

I would also like to thank my joint-sponsor for laying out the specific details of the Ohio Health Care Plan, and what implementation would look like. I will be discussing what healthcare and quality of life outcomes looks like right now under our current system.

Across Ohio, regardless of if the district we represent is urban, suburban, or rural, it is hard to deny that Ohioans are struggling under health care costs. I know this because of my previous role as an at-large member of Toledo City Council where I led the effort to abolish hundreds of millions of dollars of medical debt for Lucas County residents and also because of my previous experience in public health working in community clinics.

According to an Economic Impact Study¹ performed by the SPAN-Ohio, on average 20,000 Ohioans apply for bankruptcy due to health care costs every year. To visualize this, Lower.com, the home of the Columbus Crew, could hold the same number of Ohioans who are struggling with bankruptcy due to medical bills **each** year. Every day Ohioans are put in the impossible scenario of deciding between physical or financial well-being. Many would look at these statistics and argue that these can only be cases of people with no coverage, choosing to live life in a “reckless” manner. This is simply not the case. Previous studies conducted by a joint team of doctors and lawyers at Harvard University² found that

¹ <https://spanohio.org/ohio-economic-impact-study/>

² <https://pnhp.org/system/assets/uploads/2007/01/MedicalBankruptcy.pdf>

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even in the instance of bankruptcy due to medical debt, three-fourths of those bankrupted **were** covered by health insurance at the time of their injury.

Under our current system we are carrying the cost not for actual medical care often but for supportive administrative and insurance costs, these costs are ballooning more and more, year after year.

According to that same economic impact study, 15% of insurance premiums go to “redundant billing, overhead, profit, advertising, marketing, and CEO salaries.” None of these items provide healthcare or increase quality of life for Ohioans.

Looking to the future of the Ohio Health Care Plan, costs will be controlled by simplifying the billing system, establishing budgets, and negotiating the bulk purchasing of pharmaceutical drugs, as well as by other methods. It is expected that with streamlining administration functions and billing procedures, the Plan will result in an estimated \$11.6 billion or more in savings. Administrative functions eat nearly one-third of every health care dollar spent in this country.

According to the Kaiser Family Foundation³, Ohio businesses and residents paid more than \$122 billion annually “for all privately and publicly funded personal health care services and products.” These products include hospital care, physician services, nursing home care, and prescription drugs.

The Ohio Health Care Plan would not increase that amount; in fact, it seeks to reduce that cost by more than \$11 billion annually through the administrative savings. Of the \$122 billion in annual healthcare costs, more than \$61 billion was from Medicare and Medicaid. Private funding from health insurance companies makes up roughly the remaining portion. It is this amount we would be paying for in a single-payer system, except that we do expect to save drastically on overhead and administrative costs.

Chairman Lampton, Vice Chair Barhorst, Ranking Member Miranda and members of the House Insurance Committee, thank you again the opportunity to provide sponsor testimony on HB 174. We

³ <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/state-residence>

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would be happy to answer any questions that you may have on this legislation.