

### **Testimony in Support of HJR No. 3**

**Bill Geraci**

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**House District 60 Brian Lorenz**

**Senate District 19 Andrew Brenner**

My name is Bill Geraci, and I own a Health Insurance Consulting agency in Sunbury. Since 2007 our company has helped small businesses all over Ohio and other states control the cost of their health insurance program by teaching them innovative risk management techniques and strategies.

As President Ronald Regan once quipped, "The nine most terrifying words in the English language are: I'm from the Government, and I'm here to help." And boy, did they ever "help" when they decided they could help improve my industry!

The Affordability Care Act, which was signed into law on March 23, 2010, represented our healthcare system's most significant regulatory overhaul and expansion of coverage since the enactment of Medicare and Medicaid in 1965.

The Congressional Budget Office originally estimated the ten-year, gross cost of the ACA would be almost \$1 trillion.

The big question at the time was where the government would get this kind of money to fund all the programs in the ACA?

One of the taxes passed to help fund it was called, believe it or not, the HIT tax. It stands for Health Insurance Tax. It was an "annual fee" charged to insurance companies providing health policy premiums. Everyone had to pay their fair share, and this included those darn, profit-driven insurance companies. It didn't take a rocket scientist to figure out the tax would be passed on to the employer, who would pass it on to their employees. How does something like this make health insurance more "affordable." Of course, it doesn't. It hurts the very people Washington said it intended to help.

Another "head scratcher" was the Minimum Loss Ratio or MLR. The law said insurance companies had to spend at least 80 cents of every premium dollar on claims. This was for individual and small group policies. The remaining 20 cents could be spent on administrative costs. If an insurance company spent less than 80%, they had to provide a rebate to policyholders.

Again, it didn't take a rocket scientist to figure out how to meet these requirements. The first thing the insurance companies did was reduce the compensation rates for their agents and brokers. Many friends of mine lost substantial amounts of revenue when this happened. Some were forced to sell their agencies, because they no longer had the revenue needed to operate.

I was looking at purchasing a small agency in the Delphos area at this time. Naturally, the person who spent his career building his agency was looking for "top dollar" from me. I decided not to buy the agency because of the potential impact the MLR would have on the agency's revenue.

Once this was done, the insurance companies began increasing premiums so that the percentage for administrative costs would continue to decrease. Of course, increased premiums meant higher costs for employers, who passed them on to employees.

If you're keeping score, this is two points against the "Home team," the employees and their families. When one adds in the new forms employers had to complete, records that had to be maintained, and additional fees (PCORI), taxes (Cadillac tax), and penalties (Employer Mandate) the "Home team" got trounced.

It truly is an oxymoron to call it the "Affordable Care Act," because it did anything but make it more affordable to employers and their employees.

Nothing exemplifies government overreach and arrogance more than the sixteen words, uttered by Speaker of the House Pelosi, when she said, "But we have to pass the health care bill (which was over 11,000 pages) so that you can find out what's in it...."

The average employee has worse health insurance coverage today than they did when the ACA first kicked in. Federal overreach took a bad situation and made it far worse. And the crazy thing is, they think they did such a great job they want to manage the whole thing through Medicare for All.

I've seen Medicare for All, and it's not a pretty picture.

From 1996 to 1999 my family did missionary work in an orphanage in Moscow, Russia. We saw universal healthcare upfront and close, and it was a disaster. Doctor friends would come to Moscow to help us with the orphans, and they would always remark how amazed they were with how far behind the Russian medical system was.

Washington did not "help" fix the cost of health insurance with the Affordable Care Act. I would contend it made it far worse.

Unfortunately, time does not permit me to discuss in greater detail how our representatives in Washington DC are heavily influenced by industry lobbyists. In terms of lobbying and contributions, in 2020 Big Pharma spent over \$25 million in its efforts. The American Hospital Association spent \$24 million, and Blue Cross and Blue Shield \$23 million. The breadth of the spending highlights the health insurance and healthcare industries' continued clout in Washington.

All this to say that Federal overreach has had such a detrimental effect on our country, but most especially the businesses and citizens of our great state.

The question is how do we bind the leviathan?

We, the people of the United States, and most specifically, the State of Ohio, have waited patiently for many years for our elected representatives to live up to their words and fulfill their promises to us. We continue to vote for new faces, hoping they can break down the heavily entrenched system that is Washington DC. All to no avail. We have now reached the point of insanity, doing the same thing over and over again, expecting different results. It is time to stop the insanity!

The people of the United States and Ohio are good and decent people. They are hardworking and want only to keep the fruits of their labor. They are trusting people. They do business with a handshake. They give their word and expect others to do the same.

Sadly, we have lost faith in our government and the people who serve us in it. We no longer can trust their word to do the right thing.

It is time to stop the Federal government from getting involved in every aspect of our personal and business lives. It is time to stop the overreach, and let Ohio, and the other 49 states, handle things, such as health insurance, where the Constitution said they should be handled ... at the state level.

It is for these reasons I would like to request that you, our representatives, in whom we are placing our faith and trust, vote in favor of House Joint Resolution 3, the Application to the Congress of the United States for a Convention of the States under Article V of the Constitution of the United States.

Thank you so much!

Bill Geraci  
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