

# Testimony

## United States Senate Committee on Finance

*Regarding*

### Health Savings Accounts: The Experience So Far

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Chairman Grassley, Ranking Member Baucus, Senator Hatch, Senator Rockefeller, and Members of the Committee, thank you for the honor to address you today. My name is Eric Beittel, and I am a self-employed Certified Financial Planner and insurance producer from Central Pennsylvania.

My father always said to speak from the heart and your audience will hear you. I could advise you financially about the many fine cost-saving attributes of Health Savings Accounts. Or I could tell you about the various small businesses that I have helped implement HSAs as a way to continue offering employees high quality benefits while costs continue to rise. But those stories, though very meaningful to me, are not entirely from my heart. Instead, I am going to tell you about how my family's Health Savings Account has allowed us to live out a few of our biggest dreams by giving us a financially sensible avenue to health care.

In the summer of 2003, my wife Jennifer and I had our second child. Though Jen had a job she loved as a public high school teacher, she wanted to stay home with our children, knowing first-hand just how important parental involvement is. But we had a problem. While we figured we could tighten the belt and live without her income, we could not live without our health insurance coverage, particularly with two young children. As a self-employed financial advisor, I did not think we could afford the high cost of individual health insurance on one income.

When I looked for coverage, I discovered it would cost about \$800 - \$1,000 a month, and that coverage did not really compare to the rich benefits my wife had under her health insurance plan in her school district. I then learned about Medical Savings Accounts (MSAs) and the new HSAs coming in 2004, and I was hooked. We could get insurance for \$200 - \$250 a month. The monthly savings in cost of coverage would more than make up for the high deductible. Although

there would be some initial risk in having a large deductible, it gave us an extraordinary opportunity...an opportunity for my wife to be home with our children. Priceless.

We still have an HSA today, and my wife is still at home, now with three children. Though our family has had a few health bumps in the road, including a gall bladder removal, ear tubes for the baby, and Lyme disease...we would never switch back to our "old insurance," despite our high out-of-pocket health costs (we hit our deductible the last two years). Today we are far more in tune with our health, and we are savvy consumers. We research treatments, compare costs, and really consider our lifestyle choices as part of the complete picture. And we have saved a ton of money, which only encourages us to continue weighing in the many different health and lifestyle options available for our family.

Here's a great example of our new-found attention to detail. My wife had to take our oldest child to the ER while visiting her parents in rural Pennsylvania because he fell and split open his chin. Alone on this trip, she frantically called me to check on our insurance, but I told her not to worry and to just give them our insurance card and to get our son the care he needed. Fortunately, our son did not require stitches. The physician assistant who saw our son sealed his chin with derma bond and kept it closed with steri strips. It took all of two minutes. About one month later, we got the bill from the hospital...the total charge was about \$630. While it is difficult to walk into an ER and not accrue such charges, I found two interesting items on the itemized bill. First, there was a fee for a "specialist" physician (when my son saw a P.A.), and the second was for sutures (which my son did not receive). I made one very patient call to the hospital to discuss these charges. The hospital took a day or two to research my concern that I was charged for services my son did not receive. When they called me back, they stated the charges were incorrect and our bill would be adjusted. The end result: our bill was adjusted from

\$630 to \$304. In the days of our old health insurance, we never would have read the itemized section of the bill or “explanation of benefits,” we would have just read the “insured responsibility” section to verify our co- pay or deductible. Additionally, after this experience in the ER, my wife added over-the-counter steri strips and derma bond to the first aid kit she carries in the van. If there is a next time, she’ll be ready.

But what, really, do our experiences with our Health Savings Account have to do with living our dreams? It is my wife’s dream to be at home with our kids while they are young, and there she is, loving nearly every minute of it. It allows me to concentrate on growing my business instead of juggling a family life with two working parents and three young children. The quality of family time that we have because one parent can fully devote her time and energy to our children and our household is an amazing blessing that should be achievable for any family in America. I speak from the heart about Health Savings Accounts. They have helped our family live out many of our dreams, and they can help many more Americans do the same.

My family has had an HSA for nearly three years, and I have helped hundreds of people and dozens of businesses evaluate and implement HSAs. I have seen it all. However, until last week, I had no idea there were any bills proposing improvements to HSAs. I was pleased to learn about many valuable improvements proposed in legislation sponsored by Senator Hatch, Representatives Cantor and Ryan, and other Members of Congress. In particular, as policymakers look to improve HSAs, I believe the following changes would go along way to expand access to HSAs for those who need them most:

- Increase the limit on HSA contributions, especially for those with high health costs.

- Permit those who enroll in a High Deductible Health Plan (HDHP) mid-year and are subject to the full annual deductible to be able make the full annual contribution to their HSA.

Thank you for the honor of addressing you today. I would be happy to answer any questions the members of the committee have for me.