

Mr. Chairman and Members of the Committee:

My name is Joan Piantadosi. As a victim of the health insurance scam created and operated by Employers Mutual, I appreciate the opportunity to take part in this hearing. In 2001, I was paying insurance premiums on behalf of my family and employees to Employers Mutual believing that it was a legitimate health insurer. During that time my husband experienced a medical trauma resulting in the need for a liver transplant. During this time, the medical trauma was exacerbated by emotional turmoil when we discovered that Employers Mutual was not a legitimate insurer. Due to the company's failure to pay our medical claims, there are more than \$500,000 in unpaid bills for my husband's medical care.

Our story began in July 2001, when insurance agents contacted me regarding a health insurance plan being offered by Employers Mutual. According to one of the agents, I could save 30% on my health insurance. The agent told me that the insurance was offered through several associations composed of thousands of individuals whose group association entitled them to very low rates.

Upon learning of an impending rate increase by Humana and that Employers Mutual premiums would be significantly lower, I decided to switch coverage from Humana to Employers Mutual on behalf of my family and two employees in our family business. On August 1, 2001, I began paying premiums.

In November 2001, my husband began experiencing severe neck and shoulder pain. Our doctor referred us to an orthopedic surgeon who administered an epidural in an attempt to provide some relief. Employers Mutual pre-approved the epidural as well as the office visits to our doctor and to the orthopedic surgeon.

When the epidural failed to alleviate my husband's neck and shoulder pain, he began taking over-the-counter pain relievers. Unbeknownst to us, the painkillers aggravated his pre-existing liver condition. We would learn afterwards that, over the course of a few weeks, my husband's already poorly functioning liver would shut down completely.

Before the liver problems became apparent, the orthopedic surgeon thought my husband would benefit from another epidural for his neck and shoulder pain. For several weeks, I tried in vain to reach someone at Employers Mutual to obtain pre-approval for the procedure. When I finally spoke with an Employers Mutual representative on December 19, 2001, I was referred to a court-appointed fiduciary. To my alarm, I was advised that the company was shutting down and would not pay any claims submitted after December 31, 2001. Armed with a letter from the court-appointed fiduciary, we were able to get a second epidural on December 21, 2001.

On Christmas Eve, my husband slipped into a coma due to complications from his failing liver. On Christmas day, he underwent a 12-hour surgery at a Fort Lauderdale hospital. On New Year's Eve, after six days of being comatose, my husband regained consciousness. The doctors informed us that he needed to be evaluated to determine whether a liver transplant would be possible. The evaluation had to be conducted in Miami at Jackson Memorial Hospital; however,

the hospital would not admit him until Employers Mutual pre-approved payment of the medical bills.

Again, I had to find a way to hold Employers Mutual accountable. First, I personally attempted to obtain pre-approval for the transplant evaluation from the court-appointed fiduciary. When those efforts were unsuccessful, I had my attorney telephone the fiduciary on behalf of my husband and me. Understandably, we were desperate.

On January 11, 2002, the court-appointed fiduciary sent a pre-approval for the transplant evaluation. However, the pre-approval did not guarantee payment. My husband was admitted to the hospital on January 12, 2002. He stayed there for two weeks while the evaluation was conducted. After being told that he would be placed on the transplant recipient list, he was sent home.

In early February 2002, we were informed that since we lacked insurance coverage, we would have to pay a deposit of \$150,000 before my husband could enter the hospital's Liver Transplant Inpatient program. We simply did not have \$150,000 to cover the deposit. Consequently, my husband was removed from the recipient list.

Like the preceding months, the next two weeks were an emotionally tumultuous time for us. We feared, among other things, that my husband might die while we were attempting to deal with the predicament of being uninsured despite having paid premiums to what appeared to be a legitimate health insurer.

Fortunately, our story ends on a positive note. First, Ilene Lieberman, a Broward County Commissioner, intervened on our behalf and my husband was placed back onto the transplant recipient list. Second, we were able to obtain new insurance in February 2002, which took effect shortly afterwards on March 1st. Third, and most importantly, my husband underwent a successful liver transplant on April 10, 2002. Thankfully, the new insurance company covered the surgery.

Again, thank you for giving us the opportunity to share our experience with you concerning this health insurance fraud. I would be happy to answer any questions you might have. Our medical bills during this time period exceeded \$800,000. Bills of about \$500,000 were incurred during the time that Employers Mutual should have provided coverage and remain unpaid. Although our new insurance company covered \$300,000 of our medical bills, we are saddled with personal debt that totals \$33,000 for medical expenses incurred while we were without any type of health insurance from January 2002 to March 2000.

