

Shared Testimony of Craig and Kim Lee Bedford

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United States Senate Committee on Finance

HEARING: "The Future of CHIP: Improving the Health of America's Children"

KIM LEE BEDFORD

Good Morning. My name is Kim Lee Bedford and I am here today with my family from Baltimore, Maryland: my husband Craig and our children Job, 13; Maia, 12; Josiah, 8; Johnhideon, 4; and Montgomery, 6 months; and my mother-in-law, Rev. Theresa Bedford, who was gracious enough to join us today. It is an honor to share our family's experience with the Children's Health Insurance Program, or CHIP. CHIP has been a great help to our family in so many ways. This morning, I would like to share with you what CHIP has meant medically and emotionally for us. My husband will talk about CHIP's impact on our family financially. My son Job will talk about how CHIP has improved his health and helped him cope with his struggles with asthma.

We are honored to be invited to testify today and understand that we represent thousands of American families who can not be here today to share their opinions with you. We hope that we speak well as their voice.

Before my husband and I started our own business, our entire family had private health insurance coverage through my husband's job. When we started our own business, we continued our family coverage under COBRA, then purchased a private plan, but the costs were extremely high. While our business was in its infancy, the prospect of our children going without health care insurance was unthinkable, so we maintained the crippling cost of private health insurance coverage as long as we could. We considered many options, including the value health plans that are not really insurance coverage, but rather discounts on medical services. We delayed applying for the Maryland Children's Health Insurance Program because we did not think we would be eligible. With both of us working, we thought our income was too high to qualify.

Finally, feeling thoroughly discouraged in our search for affordable health care, we decided to apply for MCHIP. To our great surprise, we were within the financial range for a family of our size. However, because our children were still covered under private health insurance, we were initially told that we would be unable to enroll in MCHIP for six months, due to the required waiting period mandated in Maryland for those with private insurance who apply for MCHIP.

Had we given up our struggle to provide private health insurance for our children six months earlier, and had left our children completely uninsured – with no medical coverage – for a six month period, then we would have been eligible to enroll in MCHIP. What an unthinkable choice for any parent to have to make: pay unaffordable costs for coverage or risk a child's illness while they are uninsured waiting for MCHIP.

As wonderful a program as CHIP has been for our family, I believe the waiting period guidelines are a serious flaw.

Thankfully, because we were a self-employed household, the MCHIP waiting period did not apply to our family's application and our children were enrolled. As grateful as we were, I could not help wondering about the impact the waiting period might have on other 2-parent working families, where the parent whose employment provides health insurance coverage for the family is relieved of their position, leaving the family with no health insurance. Six months is a very long time for a child to be without medical care.

Perhaps the greatest impact MCHIP has had on our family medically is that we no longer have to make impossible health choices based on a financial perspective. We no longer have to decide whether a child is "really sick enough" to warrant a doctor's visit. We no longer have to decide whether a child "really needs" a certain medication prescribed by his pediatrician. We no longer have to choose between reactive medical care and proactive medical care for our children. For example, two of our children have asthma. In the past, under our private health insurance, we had to make choices among prescriptions. For example, we would choose between the asthma medication that strengthened his lungs to prevent asthma attacks, or the asthma medication that saved his life during an asthma attack. Needless to say, our first choice was always the reactive benefit medicine before the proactive benefit medicine. Did we "really" need to fill the prescription for two asthma inhalers or could we make do with one, and just hope our son didn't lose it?

A year ago, we had just one of these impossible choice experiences. After our then three-year-old son ate a piece of Valentine's candy that had nuts in it, his lips and throat turned red, hives developed, his face swelled, and he began to have trouble breathing. We talked to our pharmacist and he urged us to go to the emergency room as soon as possible. As it turns out, our son has a severe allergy to tree nuts. If we did not have MCHIP, we might have hesitated in choosing to seek emergency care. Before MCHIP, the costs of ephedrine "Epi-pens" to halt allergic attacks for our two children with allergies became a questionable expense. Do we really need the Epi-pens or in the event of an allergic reaction, or could we just rush them to the hospital in time? Or is it better to invest in the Epi-pens and possibly avoid the costs of a hospital emergency room visit? *Impossible choices*, equating to average health care at best, despite the very high monthly premiums we were paying.

Under MCHIP our children have access to their regular pediatrician and needed prescriptions with no co-payments. Under our private coverage before, we had paid a minimum of a \$20 co-pay per child per visit and, prescription co-pays were up to \$30 per prescription, with some medications simply not covered. When you have several children requiring several medications routinely every month, as we do, the co-payment expenses are very heavy. For working people of modest means, these costs are so burdensome.

MCHIP also guarantees access to critical benefits like dental and vision care. Under MCHIP our children have access to full dental coverage. With our private insurance, even with the high monthly premium expense, we had no dental coverage. Dental

appointments were a luxury in our family rather than a basic medical necessity. And since our income at the time, with the fledgling business, did not allow for luxuries, our children did not go to the dentist, for several years. I fear this is very often the case in many working American families. Since enrollment in MCHIP, all of our children routinely visit their dentist every six months as recommended, and all of their dental repair work needed from the time period when we held private medical insurance but did not have dental coverage, has been completed. Just look at those beautiful smiles!

Under MCHIP, our children also have access to vision care. Vision benefits were limited under our private health insurance, and were also expensive. We believe that our oldest daughter could have used glasses several years prior to her receiving them under MCHIP, but once again, optometrist appointments fell within the range of “luxury” health care for us at the time.

And another benefit of MCHIP which may not be readily seen is the impact it has on the health of the entire family. Although MCHIP is intended to provide quality affordable health insurance for children, we have found that this program has made an enormous impact on health care for our entire family. As I am sure many of you could understand, if we were struggling to fit our children’s medical expenses into our family budget, you can imagine what this meant for my husband and I in terms of health care at the time. Of course, as nearly every parent will agree, our children’s health concerns came first. Even though our entire family was covered under our private insurance plan, Craig and I saw our health insurance as simply a safety net in the event of a serious illness which required hospitalization. We did not schedule proactive doctor’s appointment, we did not have regular physicals, we did not go and get the recommended, standard, incremental medical screenings for major illnesses, and we did not go to the dentist unless we had a very serious dental emergency. The only medical care I took advantage of during that period of time was prenatal care for the birth of one of our children. Monthly health insurance premiums were so cripplingly high that co-payments for the children were a struggle, so we deemed non-essential medical care for ourselves as totally unnecessary.

Surely, I believe, it was only the grace of God that kept us in reasonably good health during those years, because we did not follow *any* of the recommended guidelines for our own health care at the time. For our family, enrollment in MCHIP for our children meant that Craig and I were able to begin routine proactive health care for ourselves again. I visited the dentist for the first time in several years, and will not scare you with the costs of the repair work needed on my teeth after so long. Thus, for us, and I would venture to surmise, for many American families, the Children’s Health Insurance Program has served to make our whole family healthier, and not just the children in our family.

CHIP also has given us great peace of mind. From a mental health standpoint, it is depressing for a parent to be unable to provide the excellent quality healthcare that you want to be able to give your children – and it is depressing to see no end in sight. I found that I began to care less about my health because even with the premiums we were paying monthly, good health care seemed unavailable financially. The times when we would

have to make medical decisions for our children based on financial criteria were extremely stressful as parents – full of those impossible choices.

Those are not the kinds of choices that parents in a society as advanced and as resourced as ours should be forced to make, not when we and our elected governmental officials in whom we have placed our trust and well-being – have choices in how they direct government resources. The Children’s Health Insurance Program is by far the next best thing for the health and well-being of all of America’s beautiful children, who hold the future and greater promise of this enduring nation in their little hands and hearts. Funding for children’s health care should be a budgetary item requiring no debate or even major decision making. Fund health care for all of America’s children! It is really that simple.

Today, members of this Committee are gathered together in this room to consider the quality of health for a huge portion of America’s citizens. You hold the answer to whether our nation’s children are worthy of the additional funding necessary to provide them with quality health care or whether those dollars would be better allocated elsewhere. I challenge each of you to consider what choice you would make if your children or grandchildren’s health care depended solely on the funding allocation decision you make on this issue. For so many of us in this great nation, this is the case. Our beautiful children’s health and well-being lie in your hands.

We are a unique nation – unlike any other on the face of this earth - where a person’s worth is not determined by the circumstances of their birth, not determined by their lineage or genealogical pedigree, nor even determined by the choices of their parents or ancestors. In this great nation of ours, each person’s worth is equally determined solely by their drawing their first breath of life on American soil. We can do much more to achieve our forefathers’ great vision of equality for our nation’s children. Your positive stance on doing whatever it takes to continue and even increase funding for quality affordable health care insurance for so many of America’s children such as the Children’s Health Insurance Program represents, is absolutely critical.

Thank You.

CRAIG BEDFORD

Good Morning. My name is Craig Bedford. I am so very pleased to be here with my family today. We are eager to share how the Children’s Health Insurance Program has helped our family.

I am an Insurance Agent for Erie Insurance Group in Baltimore, Maryland selling Property, Casualty and Life Insurance. Our nation was built on the spirit of entrepreneurship and I believe that deep down in every American dwells the spirit to strike out on his or her own, to be their own boss, to live that part of The American Dream, and no matter what happens, success or failure, that individual can say they had

control of their own destiny. In 2001, I had the chance to pursue the American Dream by opening my own insurance agency and I wanted to take it. I knew the business would not fail, I worked out ways to keep my overall business expenses to a minimum, but what kept me from leaving the comfort of my big company employer was the health plan. I kept asking myself, “How am I going to maintain health insurance for my family, and what am I willing to sacrifice to acquire such a plan?”

Many of my associates began their businesses without health insurance and acquired it later as their businesses became more profitable, but I didn't have that liberty. I had three children at the time, one with asthma, so I could not take that risk. I continued our family coverage under COBRA when I left my employer, but our monthly premiums were like a new mortgage. The first 12 months of being in business, our health insurance costs were 36% of our *gross* income. In 2003 our health insurance premiums increased by 18% to a cost of nearly \$800 monthly for a family plan, not including the co-pays and prescription costs. That is when things began to look glum. Even though the business was growing, our health insurance costs were still close to 25% of our *gross* income.

In 2004, a friend told us about the CHIP program. My wife took the lead, researched, and applied. We qualified and were able to cut our health spending by 60%. My wife and I still maintain our own health insurance on a separate private plan. My business is still growing, as is our family, now at 5 children. Unfortunately, the cost of our coverage has grown also. In 2006, health insurance premiums for my wife and me cost the same as the family plan we had in 2002, and still account for 13% of our gross income.

The face of CHIP is families such as ours, families that work hard and play by the rules, trying to live the American dream. Providing quality health care to our children should be a congressional budgetary item requiring no debate or major decision making. We urge you to continue to fund the Children's Health Insurance Program.

Thank you for the opportunity to testify. I would now like to introduce our oldest son Job. Job is a 13-year-old honor student who has had to deal with medical issues relating to his asthma and severe food allergies. He is an incredible child to parent and a wonderful role model for his siblings and friends.