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February 9, 2005

Testimony before the Assembly Committee on Health and Human Services

Chairwoman Leslie and Members of the Committee, my name is Gayle Holderer and I am here to tell you about my experience with health insurance coverage.

I am an attorney and have had a small, private practice for nearly thirteen(13)years. I have pre-existing health conditions that make it impossible for me to change from my current health insurance policy to another. I was badly injured in a car accident on December 24, 1992 and am still considered disabled by my doctors. I was left with herniated and bulging discs in both my neck and my lower back as well as two dashboard knees and chronic pain. My recovery was long and slow and have also been told by my doctors that my back and chronic pain, although under control most of the time now, will get worse with age.

I purchased my current health insurance policy from American United Life in May 1990 and American United Life was purchased at some point by Trustmark Insurance Company. When I first purchased my health insurance policy, it was \$90 some odd dollars a month and the increases were actually reasonable until the year 2002 which is when the big increases started. I filed a complaint with the Nevada State Division of Insurance this past summer for high premiums, mishandling of claims, and other things. After calling the Division of Insurance and asking additional questions, I was told by Kimberly Everett, an actuary with the Division of Insurance, that I had

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what was called a "closed dock" policy. This means that Trustmark had stopped selling my form of the policy, H-72, leaving all of the "unhealthy" people in the policy and were no longer bringing in new healthy people so the experience rating of the existing group is very high with steep increases in our rates. I had no idea that this sort of thing could happen and do not even know when it happened. Van Mouradian (the Chief of the Division of Insurance) talked to someone at Trustmark (I never found out who) and was told that there were still people in the group and that Trustmark had no other product/policy to offer me, not even a product with fewer benefits or with a higher deductible than I am already paying, which is a \$2000.00 deductible with another \$1000.00 out of pocket for co-pay at 80%/20% (Trustmark pays 80% and I pay 20% of the this \$1000.00). I have an individual health insurance policy that was written prior to the Health Insurance Portability and Accountability Act (HIPAA). To be eligible for HIPAA protection and guarantees, one must begin with a HIPAA regulated policy and mine is not. No allowances were made in HIPAA for people in my situation. Because of this I must go through underwriting which makes me uninsurable because of my pre-existing conditions. Although I have found several groups to join in order to secure health insurance, these groups do not have provider networks in Nevada. AARP writes a supplemental health insurance plan, but will not write it without a primary health insurance plan in Nevada. The American Contract Bridge League (of which I am a member) has a catastrophe major medical plan for it's

members, but does not have a provider network in Nevada. Thirty-three(33) out of our fifty(50) states provide some sort of health care programs for their uninsured's and Nevada is, unfortunately, not one of the thirty-three(33)(Illinois State Division of Insurance, February, 2005).

As I have already stated, my rates started in the \$90 range at the inception of the policy in May of 1990 and the rate increases were very reasonable up until 2002. In April and May of 2002 my monthly premium was \$843.53/mo. In June 2002 there was another increase resulting in a monthly premium of \$1276.79. From July 2002 to May 2003 there was a slight decrease resulting in a monthly premium of \$1253.87. In May 2004 my monthly premium was increased to \$1794.18 and on August 1, 2004 my monthly premium was increased to \$2368.32. That is \$28,419.84/year and will be increasing again as the anniversary date of my policy is May 1, 2005 and I have no idea what that increase will do to the premium until I get the notice. Trustmark, may, however, levy an increase before May 1, 2005 as all it has to do is give me thirty (30) days notice as it gets its authorization for premium increases up to a year or more in advance of the premium increase. All premium increases are approved by the State Division of insurance. I have talked to several people at the Division of Insurance and have told them what I am currently paying for health insurance premiums and they are all aghast and shocked and tell me that they do not know what they would do without their health insurance benefits and yet they have no solutions for me. And I do not know what I am going to do when I

no longer have health insurance benefits either, as I cannot afford either the current monthly premiums which will only continue to increase or health care costs which will also continue to skyrocket. When this policy lapses, it will be the first time in my life that I will have been without health insurance.

In conclusion, I would like to say that I think that health insurance should be a right. . . . not a privilege.

Thank you for the opportunity to speak on this issue.