

My name is Joyce Kane and I am the Owner and President of Cybertary Pittsburgh, a small business that offers Administrative Support Services to other business owners, professionals and individuals. We incorporated as a "C" corporation in June of 2009, launched our business in September of 2009 and currently have 2 employees.

I was laid off from my corporate position in October of 2008. I had COBRA benefits from that time which represented an outlay of \$472 per month until December 2009. At that time, I was notified that my COBRA premiums would increase by 286%, to \$1,348.63 monthly. As my limited income from unemployment and savings could not sustain that increase, I sought coverage alternatives from sources other than COBRA.

Fortunately, through contacts that I met via networking for my new business, I had some options to consider. While I had options, I can tell you that few were attractive. For example, of the two sources, one a Broker who proposed plans from 3 carriers, and the second, a Chamber of Commerce affiliated entity that offers plans to members, leveraging their collective buying power, the plans ranged from a low of \$566/mo to a high of \$2,033/mo, a delta of 119% to 431%, respectively, over the cost of the COBRA coverage that I had. In addition to the cost difference in the monthly premiums, there were also significant differences in the different plans in terms of coverage, deductibles, lifetime maximums, coverage for in-network and out of network providers, prescription guidelines, coinsurance and other limits. Several of the plans also required underwriting, which could also

dramatically change the premiums depending upon pre-existing conditions and the pools to which the individuals would be compared, including the age bracket in which they fell.

From my research, The Patient Protection and Affordable Care Act appears to have limited impact for small business owners such as myself, either positively or negatively. Assuming the provisions as currently interpreted carry through, eligibility for coverage through state insurance pools or exchanges may increase options for health care coverage that are better than what I am currently able to source. Eligibility for individual tax credits to help offset the cost of premiums are restricted to those entities that have less than 25 FTEs and whose salaries are less 25,000 or less; employers with up to 50 employees and/or salaries up to \$50,000 will see percentage phase-out of the credits. Owners of C Corporations are also ineligible and of course, there has to be taxable income against which the credits apply. In my case and that of other small business owners who are struggling to stay in business, these qualifications render the positive impact of these provisions moot. The one area that would potentially benefit business owners whose circumstances mirror that of my company is the insurance reform protection that would prevent rejections and discriminatory pricing of insurance coverage due to preexisting conditions, age, health status and other factors. Small business owners are looking for consumer protection that would enable the Insurance Commissioner to have the power to review and disapprove rates and to enact rate reforms at the state level.

Thank you for the opportunity to address this panel.