



Testimony Before the U.S. House of Representatives Committee on Oversight and Reform

by David Balat, Director

Thank you, Chairman Cummings, Ranking Member Jordan, and all the distinguished members of this important committee for having me here today.

My name is David Balat, and I am the director of the Right on Healthcare initiative of the Texas Public Policy Foundation. I would also like to thank the others here who have come to testify. I firmly believe that we all want affordability and accessibility in healthcare, but we simply have different ideas about how to get there. For those patients here today, who may have benefitted from the ACA, thank you for your bravery in telling your story, because I know the difficulty that you face in dealing with this broken system. Healthcare is an American issue, not a political one. It is personal, not partisan.

My experience as a healthcare executive, hospital administrator, and patient advocate precedes my work in health policy. My journey coming from the healthcare industry into the realm of policy came about because lawmakers have consistently conflated and confused health insurance with health care. I am here to confirm to this body that coverage is not care.

As a hospital administrator, I've seen people use the emergency department for basic primary care because even though they may be insured, they are unable to afford their deductibles—which have inflated by 200 to 400 percent in the last decade. The ACA sought to reduce emergency department services, but the unintended consequence has been the opposite, particularly in states that have expanded Medicaid.

Outside of the emergency departments, access to care has been an issue as well under our current system. It was no better prior to the introduction of the ACA but the problems have certainly been exacerbated since its passage. The number of providers who accept the plans is minimal and shrinking—leaving patients waiting for appointments to see their primary care physician. When they do see their doctor, they may be referred to a specialist—which again can prove difficult, especially in finding one in their region. The administrative burden created by the ACA resulted in limited choice for those who are most vulnerable.

In fact, a study in February of this year titled [*The Effect of Health Insurance on Mortality: Power Analysis and What We Can Learn from the Affordable Care Act Coverage Expansions*](#) showed that there was no reduction in mortality for those who participated in the ACA—effectively demonstrating that enrollment in the ACA had the same effect as having other forms of coverage or no coverage at all.

Even those patients on the ACA exchange, whose premiums are fully subsidized, are left with a sizable deductible and coinsurance obligations. These large financial obligations left to the patients often leave them in the position of not being able to afford going to the doctor and waiting till they have to go to the emergency room, which further drives up the cost of care. Let me be clear: insurance coverage under the ACA that has driven up the cost of care has hurt patients with pre-existing conditions, not helped them.

As an advisor, I've been called to help families and patients navigate the complexity of hospital care or simply how to read and understand their explanation of benefits. There is always a common thread in their frustration: they didn't get to decide, they pay more, and they get less.

Needless to say, we have a corrupt system full of perverse incentives in virtually every segment of the industry. Rather than the patient being in charge of very personal decisions, government regulations have empowered insurance companies to

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be in charge. The patient and doctor are the main ones who care about patient health, and yet they have limited decision power—the decisions are being made instead by government administrators, the insurance companies, and a number of other middlemen. We have a lack of affordability as well as inefficiency because too many middlemen have come between the doctor and patient in that relationship. The Medicare bureaucracy sets prices for services, and then the insurance companies enforce those fixed prices on everyone else, even in the private market.

We need a system in which everyone has a choice, and the government role is limited to a safety net. The current system is failing because it is unaffordable and unreliable. Americans understand that the problem is the high cost of health care and what they want is to be empowered to make decisions for themselves and their own families and a sense of peace of mind.

This doesn't come from government mandates; this is evident when people are involved and participating in their care management with their doctor. We hear about the number of uninsured in this country—but not all of them are without care. I am among the statistic of the uninsured, but I would assert I am getting better health care as a patient. Because, to repeat my primary point, coverage is not care. I utilize direct primary care and medical cost-sharing for catastrophic coverage for myself and my family. These models, in addition to the many others that have been promoted by the Trump administration, do not have exclusions for pre-existing conditions and are demonstrating a higher degree of accessibility and affordability.

The high cost of care in the country increased significantly during the time of the ACA. The high cost of care is the single biggest reason why healthcare has become less accessible. The high cost of care is what the American people care about. The high cost of care is the direct result of the federal government attempting to fix healthcare and failing. Choice and competition, not a one-size-fits-all plan, are what we need for something as local and personal as healthcare. We need a landscape of choices that are as diverse and personal as each of us. ★

ABOUT THE AUTHOR



David Balat is the director of the Right on Healthcare initiative with Texas Public Policy Foundation. With special expertise in healthcare finance, he is a former congressional candidate and a seasoned hospital executive with more than 20 years of healthcare industry leadership and executive management experience. David is focused on education and advocacy in an effort to simplify coverage that is too expensive, complicated, and untrustworthy. He is an ardent advocate of physicians and believes the restoration of the physician/patient relationship is critical to fixing our dysfunctional system. He often volunteers his time to help families navigate their bills and how to understand their benefits.

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