Statement of Jennifer Wittney Horton - June 16, 2009

Good morning ladies and gentleman. I want to start by thanking the Committee for this opportunity to testify this morning. I am very pleased that Congress has decided to take a close look at rescission so that it can understand just how damaging this practice has been to so many people across the country.

When Blue Cross cancelled my coverage, I had no idea what rescission meant. But now, after my life has been turned upside down for the past four years, I've come to understand what a despicable practice it is. Insurance companies require you to fill out an application that is deliberately confusing. And, they don't do anything to make sure you understood the questions, or that you supplied all the information they need to decide whether they want to insure you or not. They just accept you, and accept your premium checks. It's after you see a doctor that everything changes. When your doctors file claims, the insurance company starts looking for reasons not to pay them. They dig through your medical records and compare what they find to the information you put down on the application. It's called post-claims underwriting. And, in California, where I live, it's illegal. But insurers ignore the law. And when they find a discrepancy or an omission, they rescind the policy, and refuse to pay any of your medical bills – even for routine treatment, or treatment they previously authorized.

Blue Cross' decision to rescind my insurance was devastating to my husband and me. And, I consider myself one of the lucky ones. As the lead plaintiff in a class action lawsuit against Blue Cross, I represent 6,000 Californians who were all stripped of their insurance by Blue Cross. You can't imagine how horrifying some of their stories are.

Blue Cross rescinded some of these people right after they undergone open heart surgery, or were receiving chemotherapy treatment for cancer. Some of these people were left with hundreds of thousands in unpaid medical bills. One thing we all had in common: we all were left to somehow stay healthy and fend for ourselves after Blue Cross walked away from its promise to provide health insurance.

I sought insurance with Blue Cross in 2005 because my parents raised me to believe that health insurance was an absolute necessity that should never be taken for granted. I work in the film industry in Los Angeles, CA, where employment is generally temporary, and done on a freelance basis. So, for me and many others in the industry, individual coverage is a necessity. At the time I applied for coverage, I had just left a temporary staffing agency for Sony Pictures to go work on a specific movie. When I made the move, I had to give up the stability of my group health care plan. So, I immediately sought out individual health care coverage.

When I applied for coverage with Blue Cross, I wanted to make sure that I did everything correctly to ensure that there would be no problems. I filled out the application to the best of my ability even though it was long and confusing. I wrote down everything I could remember about my health history, including hypothyroidism, a condition I have had since I was 18. I even listed the contact information for my treating doctor. Then, I turned my application into my broker. She told me everything looked good and sent it in to Blue Cross, and they quickly accepted my application. I was only 27 at the time.

Two months later, I went to see my endocrinologist for a check up. I had routine blood work performed and the doctor's office sent the bill to Blue Cross. I received a letter back from Blue Cross shortly afterwards saying that they wanted all of my medical records from both my endocrinologist and my gynecologist. I consented, having nothing to hide.

A couple of months later (June '05), I received a letter from Blue Cross stating they were rescinding my insurance because I didn't disclose on the application that I had taken the drug "glucophage," and because of irregular menstruation. I had taken glucophage the previous year, but was no longer taking it when I filled out the application. My doctor had prescribed it hoping that it might help me lose weight, but it did not. I stopped taking the medication when I saw that it was not working for me. In its rescission letter, Blue Cross said it would have never accepted me for coverage if it had known that I had "polycystic ovaries". This letter the first time I ever heard about this condition. I later learned that polycystic ovaries, or PCOS, as it is known, is a diagnosis of exclusion and very difficult to prove. Doctors often proceed on suspicions of a person having it without having actually proven it. This is what happened in my case. My doctor suspected I might have PCOS, wrote it down in her notes, then told me she was prescribing glucophage for weight management. I never knew what she wrote down in her notes because she never told me. After I was rescinded, I had two of my doctors write letters to Blue Cross telling them this, but they didn't care. They just wrote back that they were upholding their decision to rescind.

After being rescinded, I showed my original application to my sister and her husband, both radiologists, to ask them what I could have possibly done wrong in filling

out the application. They felt that the application was worded in such a way as to be purposefully confusing and that it asked the same question in multiple ways to trip people up. I'm a college graduate, and "no dummy," and I still couldn't make sense of Blue Cross' tricky application.

The worst part about my rescission is that I have been unable to get insurance anywhere else. I applied for individual insurance through Blue Shield. But on their application, they ask if the applicant has ever had insurance rescinded. When they learned that I had, they informed me that they would not accept me for coverage. Every insurance company asks if you've ever had health care coverage rescinded. For the rest of my life I will never be able to get individual coverage again because of Blue Cross. As someone who works in an industry that relies on individual coverage plans, this is a really big deal. Since my rescission, I have had to take jobs that I do not want, and put my career goals on hold to ensure that I can find health insurance.

Fortunately, after my husband and I got married, I was able to gain coverage through his company's group health care plan. However, if he ever loses his job, or I don't have employment with a company that offers group health insurance, I might have to go without insurance.

As I mentioned before, I consider myself one of the lucky ones. I don't have large outstanding medical bills, and I am relatively healthy. In fact, I was able to pay my doctors back for the blood work and office visits that Blue Cross refused to pay. But many people who have been rescinded are far less fortunate. And, as the lead plaintiff against Blue Cross, I feel an obligation to speak for them as well. What Blue Cross has done to us is wrong, and they must not be permitted to continue getting away with it.

Americans desperately need health care reform. As my experience shows, owning an insurance policy does not necessarily equal access to health care. If insurance companies are not prevented from canceling or restricting coverage after patients get sick, insurance policies are not worth the paper they are printed on. Insurance companies are making record profits by collecting premiums in exchange for the promises they make to be there when people need them. Make them keep that promise. Thank you.