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Testimony to the House Education and Workforce Committee on the Patient Protection  
and Affordable Care Act

Thank you for the opportunity to testify before this panel. Today I realized how my alma mater, the University of Akron's football team, must have felt when they played Penn State in Beaver Stadium a few years ago. To their credit, they stayed in the game for all four quarters as I intend to do.

My name is Ralph Vitt. I owned Vitt Insurance in Pittsburgh for 20 years. My medical insurance company employed two people, but I worked with countless small business owners over the years, helping them purchase insurance for themselves and their employees.

I have an appreciation of small business owners' concerns and challenges in buying health insurance, which is why I speak in support today of the Affordable Care Act. There are many reforms in this new law—some that have been implemented already and others that will be put in place over the next couple years—that will help small business owners.

Most small employers with whom I have dealt would prefer not to be a part of the health delivery system as purveyors of medical insurance. With the advent of insurance exchanges, they may get some relief both in purchasing a medical plan for their business or the possibility that many folks will purchase individual plans giving them portability to move to another job without a loss of coverage. In addition, the idea of having medical insurance that is not contingent on being with a specific employer will allow employers to staff their businesses with folks whose training, experience and career paths are in sync with the success of their organization.

At the same time, employees will not be forced to remain in a position for which they are not adequately trained or forego a different career path just because they need health insurance. The improvement in the productivity of the employee will no doubt improve the profitability of the business.

Moreover, small business tax credits, which are available to small employers now, will also help make insurance more affordable. The non-partisan group Small Business Majority found that one-third of small business owners who don't offer insurance would be more likely to because of the tax credits, and

31% of those who do would be more likely to continue offering it because of them. In these tough economic times, every dollar helps and small business owners appreciate anything that will make insurance more affordable. I've seen other reports that say small businesses are worried about the cost of healthcare, but Small Business Majority also released polling that found most small businesses don't know about many of these provisions to help them. It's no wonder they're concerned if they don't know these things exist to help lower their costs.

The wellness benefits are a big help in providing preventive medicine, and if medical treatment is needed, reduce the cost of procedures by acting early in the diagnosis. This will lower overall healthcare costs across the board. Additionally, allowing children to stay on their parent's medical insurance until age 26 regardless of student status is an excellent benefit to individuals entering the workforce. My granddaughter will graduate from college in May, 2012 and has a job offer that will use her degree in International Business. Her future employer (a small firm of 8-10 people) does not offer a group medical plan. By staying on her father's plan, she can accept the offer, work in a field for which she has trained and begin a career path right out of school.

Of the benefits that will be phased in over time, the guaranteed issue of coverage without regard to pre-existing conditions is, in my opinion, the most important component of the ACA. Having sold medical insurance for 20 years, I realize the frustrations people experience when they are declined for coverage due to medical history. If medical underwriting is no longer used and the threat of adverse selection is reduced by requiring that individuals purchase health insurance, the market will grow exponentially, thus broadening the actuarial base used to determine rates. This will allow individuals to select plans that fit more closely to their financial and medical needs.

The ACA, if allowed to be fully implemented and refined will go a long way to reforming the medical insurance system that began in the 1940's and has basically remained static till today. Implementation of this law will not only help small businesses thrive, but our economy, as well. Thank you.