



**Statement of Donna Smith
to the Subcommittee on Commercial and Administrative Law
of the House Committee on the Judiciary
Hearing on Working Families in Financial Crisis: Medical Debt and Bankruptcy
July 17, 2007**

Good afternoon, Madam Chair Sanchez and committee members.

My name is Donna Smith. I live in the 6th Congressional District in Aurora, Colorado. My Congressional representative is Thomas Tancredo.

But it has been a long time since I have felt that any of my Congressional representatives or my U.S. Senators truly understood what the current health care crisis is doing to Americans like me or acted with courage to correct a crisis that is permeating every facet of the American economy.

The last elected official who took my situation seriously and tried to help was Sen. Tom Daschle of South Dakota who spoke about us on the floor of the U.S. Senate in spring of 2004. He would later offer a "sense of the Senate resolution" proffering that every American should have access to the same health coverage as every member of Congress does at the same cost or better. Unfortunately, Sen. Daschle's sense was not that of the full Senate or of the House. And Americans like me languished onward in a private health care system that is driven by profit not health needs.

Recently, filmmaker Michael Moore visited Washington, D.C., to share with some of you the issues and problems featured in his newest film, SiCKO. My family's story is included in SiCKO, and our story represents a horrific set of circumstances unfolding in middle class families across this nation.

Though Mr. Moore took seven or eight minutes in his film to outline our financial collapse, I can assure you that the health and economic disasters that made us perfect fodder for film unfolded much more slowly and painfully than depicted on the movie screen. Mr. Moore and his production staff did not know much of what is shared in this testimony, and I offer it now so that you might more fully consider the plight of middle-class American families – the hard-working people you purport to represent here in the people's House.

And being a part of this film project did not change the cruel reality for us or for any of the others in SiCKO. We were not paid, and the conditions we faced before the film are in most cases very similar to the conditions each of us face today. In order for our story to mean something you must act on our behalf.

I know many of you receive substantial financial support from the health care and pharmaceutical industries, and you may feel hard-pressed to look at any plans that could put those funds at risk. But I am asking you to consider that you also receive substantial funds from me, my neighbors and all of my fellow Americans through your salaries and benefits funded by taxpayer funds and you hold office because we voted for you. We the people are your employers.

I find it unacceptable and even difficult to comprehend how you can sit here and apparently not understand the severity of the problem. How did this body so remove itself from the reality of the people? I commend Rep. Conyers on bringing this issue before you once again and ask that you imagine yourselves walking a mile in my shoes.

My family is part of a grim statistic in America. Our health care issues and costs drove us to bankruptcy as it has driven an estimated half of those filing bankruptcy to that point. And we were always fully covered by medical insurance. By sharing our story and our path to bankruptcy, it is my hope and it is my prayer that each of you will have the courage you must have to act on behalf of your fellow citizens, your constituents and your nation to pass meaningful health care reform.

If you had made HR676 law when it was proposed back in 2003, I would still have my home, my dignity and better health.

Instead, I come to you today, imploring you to act for the thousands like me who elected you and who count upon you to do what is best for our nation. In the course of human events today, bankruptcy should not be the end result of heart disease and cancer. It is enough to fight those hellacious health battles without also fighting for our financial lives. The shame of financial failure and bankruptcy should not be the end result of needing health care in America. If you think it couldn't happen to you or to your family, think again. And tonight when you lay yourselves down to rest, know that hundreds of thousands of Americans will not rest well because they sit on the edge of financial disaster not because they are slackers or welfare cases or poor people with poor ways. They sit on the edge because they are sick and because you have failed to act on their behalf.

Our story

My husband Larry and I have been married for 31 years, and we have six children and 13 grandchildren. For most of his adult life, Larry was a machinist. I stayed at home with our little ones until our youngest was two and then like so many other American families, we needed the income I could earn and I went back to work.

Unhappy working minimum wage jobs, I enrolled in college and at the age of 31 while working full time as a bank teller and caring for my family, I earned my bachelor's degree, cum laude and Phi Beta Kappa, from Colorado College in Colorado Springs. I believe in the value of hard work, and my parents – including my World War II veteran father -- instilled in me a strong work ethic.

Throughout our early years together and at all times thereafter, my husband and I always maintained health insurance coverage for ourselves and our children. It was never our expectation that others care for us. We both stayed well-informed and exercised our right to vote. We owned our own home and stayed actively involved in every aspect of our children's lives.

For you to understand, you must realize that the health-related financial trauma we experienced does not happen overnight. Good, hard-working Americans like us struggle against the darkness of bankruptcy for years until there is no other reasonable course.

Brewing in my husband's body were the bad arteries that also plagued his father. And at age 46, Larry suffered his first significant heart-related difficulties, and he underwent his first heart bypass surgery in January of 1990 at Mercy Hospital in Miami. His recovery was remarkable at first but then quickly reversed. He was wasting away, and by July of 1990, another heart surgeon had concluded that Larry's first heart surgery had been botched. His artery bypass had been placed too "proximal" to the initial site of blockage and as his body built scar tissue, the newly opened vessel quickly closed again.

His original doctors did not tell him this. He was told the bad news by Dr. Jack Greenburg, also of Miami, who then performed another coronary bypass on Larry in July of 1990 just six months after his first. The bills were awful at that time, but we managed to argue with some of the docs that since the second surgery was due to error in the first, perhaps it wasn't quite right to bill us twice for the botched work. We recovered financially from that only after years of argument and bartering. No lawsuit was ever filed for the bad operation since Larry recovered and lawyers didn't see a multi-million dollar case or a sizeable enough cash retainer from us to proceed.

I consider the current argument that medical malpractice insurance rates are driving the current crisis as ludicrous and only to be believed by simple minds with simple ambitions – to protect the powerful and the wealthy by keeping average people from suing. Fixing the health care system for the top tier is as morally wrong as ignorance of the problem, but that's an argument for other, brighter minds than mine.

My husband did recover from those early heart surgeries, though he wasn't nearly as strong. His work would suffer due to his health status in the mid-1990s, but we slowly worked our way back from the brink. He had to give up the physically demanding work of machining and worked more menial jobs – pizza delivery, light maintenance and eventually cashiering. What a decline of dignity for my proud and able husband. Yet he worked doing what he had to do to help support our family.

I was staying relatively healthy although I had been diagnosed with sleep apnea and had to use breathing support at night with both a C-PAP machine and oxygen. But I always worked full time too. And I often took on extra projects or part-time efforts to supplement our income.

But in 1998, Larry's chest pains returned, and he would begin the spiraling downward that ultimately led him to several cardiac procedures, stent placement and another heart bypass surgery (the most recent in February of 2006). Our health insurance premiums were paid through our separate employers based on the most economical and comprehensive coverage we could purchase through these years, 1990 - 2003. Monthly premiums ranged from \$150 to \$250 for each of us and though the cost seemed high based on our wages, we paid. In the meantime, his need for daily medications was also increasing.

Late in 1999, I reluctantly went to my nurse practitioner with what I thought was early-menopausal symptoms. She was going to prescribe some hormonal therapy to control severe bleeding but then decided I should be seen by an OB/GYN. Thank God her intuition told her to take that course. Within a couple of weeks, I was diagnosed with uterine cancer. It was off to surgery and treatment for me. And I lost weeks of work with no way to recover the income. Friends and co-workers donated money to help us, but by now our medical problems were taking a heavy financial toll.

Just weeks after cancer surgery, I returned to work where I was caring for developmentally disabled young people in a group home setting. I knew I couldn't afford to lose more time from work, and I absolutely could not risk losing my health coverage, so I went back to the heavy lifting (some of the youngsters weighed more than 100 pounds and needed full assistance with basic life functions). It was way too soon to return to that sort of work, and though I wore an abdominal brace and a back belt to hold my gut together, I developed a huge abdominal hernia in my cancer surgery incision site and was back to surgery by the summer of 2000.

This time I didn't dare miss much time from work. Just six days after my release from the hospital, and against medical advice, I bound my now-surgically-meshed belly together and returned to work. I simply

could not lose the pay and benefits.

In the meantime, Larry's artery problems had extended from already serious coronary artery disease requiring intervention nearly every six months or so to include peripheral artery disease. He was still working full time as a cashier in a Deadwood casino named Gold Dust. Because western South Dakota did not at that time have vascular specialty groups capable of performing the tests Larry needed and because our insurance carrier, DakotaCare, had a contractual arrangement with the Mayo Clinic in Rochester, Minn., that's where Larry was sent for further evaluation.

Because I could not afford to miss any more work, he went alone the first time – driving more than 600 miles alone to see the doctors who could potentially treat him. I tracked his progress by watching ATM transactions on our bank account as he went from place to place on his journey. We had no cell phone or way to contact each other without incurring more expense.

During this period, our insurance premiums mushroomed (in part because we were a part of our employers' group health risk pools). We also now needed several prescription medications each month, and our deductibles and out-of-pocket exposure soared to thousands every year.

By fall of 2003, we had already sold our modest home to fund our loss of income due to Larry's absences from work and to pay off some of our growing debt. We netted only \$8,000 from the sale. And our monthly health costs (health insurance premiums, medicine co-pays, out-of-pocket expenses and transportation) swelled to over \$1,000.

We borrowed money from friends and family, sometimes launching our own benefit campaigns. It was sickening to beg for money, though folks generally helped without judgment.

When we left for our second trip to the Mayo Clinic, all of our worldly goods went into storage, we had no permanent home and we knew only that if Larry was to live, we needed to do whatever necessary to make that happen. We spent Thanksgiving of 2003 alone in Rochester, Minn., waiting for Larry's first of two surgeries on his iliac arteries. We left the Mayo Clinic just six days after his surgery and drove home to South Dakota to get me back to work. He was so ill during the drive that we stopped at nearly every rest stop and then made a local hospital the first stop back home before checking into a motel where we would live during his recovery.

By now, Christmas of 2003, debt collectors had become rabid. They called me at work, they demanded sums I could not pay and even with explanations of our medical situation, they pursued me very aggressively. When a collector representing a Rapid City doctor who had already been paid thousands by my insurance company served me with garnishment papers: I thought I would die of humiliation and terror. My husband was very ill. I needed to keep up his insurance and medications, and if I were garnished, I would not be able to meet that obligation to the man I love.

We sought the advice of a local attorney to see if we could negotiate something with this doctor, but to no avail. Bankruptcy was the only way to stop the garnishment. Even as quickly as the attorney moved to complete his work, one pay period's worth of garnishment payment was collected from my check. I was horrified as I was now the local newspaper editor, and being garnished was simply not good on many levels. But the bankruptcy went through in the spring of 2004, and the calls stopped – at least until the next round of medical issues and until the bills begin building again.

It was not only medical debt in that bankruptcy. Over the years and months leading to that point, we did whatever we had to to stay afloat. We put food and household items on credit, we borrowed against older cars, we ordered needed goods through high-interest, high-priced mail order firms. So when we reached the point of bankruptcy, all of those debts had to be included. No one was spared. So our problems with extreme medical costs and the resulting bankruptcy hurt a wide variety of businesses and individuals. Collateral damage of the national health care crisis, I suppose.

We had tapped out family and friends, begged for community benefits, received food from a local food pantry and yet we were still working. Every available amount of expendable income went to medical needs – even rent, utilities and food took a back seat. Larry tried his hardest to keep going. His employer followed only the absolute letter of law in terms of Family Medical Leave time off for illness and did nothing to help him. It was very clear that they wanted Larry off of their group health insurance sooner rather than later. The worry was exhausting, and the stress did not help the situation. My sleep diminished to just two or three hours each night as I worried myself sick about what would happen and how I could possibly keep Larry from feeling what I felt.

In April 2004, we returned to the Mayo Clinic for the third and final time. Larry had surgery yet again. This time he was told he could return to work in six weeks but no heavy lifting was allowed. Without any prior notification as is required by the law and on the exact date when his 12-week Family Medical Leave for 2004 was exhausted, and by way of a certified letter, Larry was fired from his job. They said that to accommodate his lifting restriction would be too tough for them.

We sobbed together. The end of a working man's life was reduced to a letter full of lies delivered on Memorial Day 2004.

In the meantime, the Mayo Clinic wrote too and said that they were writing off or forgiving the \$6,000 left on Larry's bill after the tens of thousands in insurance payments but that if we ever wanted to return, we would have to bring the cash up-front for our portion of the costs. That ended our ability for Larry to return

to that fine facility, and he hasn't been properly evaluated for his peripheral artery disease since.

I took Larry onto my group health insurance, and he began the application for Social Security Disability. His application was approved, but he went six months with absolutely no income and had to wait two years to qualify for Medicare health coverage, so our financial condition continued its decline. Congress should also act to fix that deficiency. If an American is found to be too ill to work, making the person wait two years for Medicare coverage is cruel and just plain dumb.

I even tried opening a small local business (with the help of a small amount of local economic development funds) while I continued my full time work at the newspaper, but the business didn't take off quickly enough. It seemed as though our last hope of saving ourselves was doomed. But we aren't quitters, and we sure gave it our all in every way we could think of to pull ourselves out of the financial quagmire.

Larry got sicker still and in February 2006 was told he would need yet another heart surgery. This time it took surgeons 12 hours to complete the quadruple bypass at Rapid City Regional Hospital. Larry was in intensive care for days and then home to heal. But that certainly pushed our deductible and out-of-pockets right back out of sight and reach for my income and his Social Security benefits. We were going under all over again just two years after our bankruptcy.

One of our grown children offered to have us move into her home in the Denver area, and we decided that we had to throw in the towel once and for all.

The life we worked so hard to build and the life we fought to save for the past few years was lost. We had failed. The health care system had crushed us.

Michael Moore's film crew came to South Dakota and documented our move. And they did so because they felt we represented middle class Americans who though fully insured can still lose everything because of health crisis. We packed up our stuff and the dog and drove to Denver. I left the editing and reporting I loved and the beautiful Black Hills of South Dakota.

Let me say again, we are in SiCKO not because our story is so unique. We are in this film because we are not unique – we represent what is happening to so many others Americans. That is sad for us all. I worry every night that somewhere out there sits a woman like me who is at the end of her rope and has nowhere to turn. She works, so she earns too much for government-based help that do not allow for extreme medical emergency, but her pay after paying her insurance premiums is not enough to support her family. And tonight she'll sit alone and hurting, not knowing that I pray for her and for her strength to face another day.

I want the members of the committee to know that if HR676, Medicare for All, had been in place for us, we would have weathered the storm. We are hard-working people who under normal conditions make sound money decisions. But placed under the strain of mounting premiums, co-pays, deductibles and out-of-pocket costs, we did whatever we had to do to stay alive.

I am so angry with you. I lived the American dream as my father taught me and as his father taught him. I worked, I educated myself, I voted, I bought a home and then moved up into a better home, I raised my children responsibly and I served in my community – and you left me broken and battered because you failed to act on health care reform.

And out there today are hundreds of thousands of people struggling to make ends meet at the same time they are dealing with cancers and heart attacks and all manner of terrible personal health crisis and yet you still fail to act. These people are average, middle class Americans like me who want nothing more than to live a good and decent life surrounded by friends and family in a modest home with enough income to make ends meet.

I am also a Christian. And I do not know what type of Christianity, if any, the current system represents. I hear a lot about family values and respect for human life, but are those just empty words said to placate the religious right voting block or the powerful pro-life lobby? Other good and decent Christians might not share your blind devotion to those points of view. The Christ I learned about as a child attending Arlington Heights First United Methodist Church in Illinois and the Christ I continue to hear about in Sunday services at Cherry Creek Wesleyan Church in Colorado would not allow this to happen to the sick. In fact, I don't think I've heard of any religious group that would allow the sick to be so deeply wounded – and especially not at the hands of other believers. I am asking you to value life and to value it outside the womb too.

And my lobby group will be growing more powerful too. Just as I have come out of the shadows of economic ruin and shame, so too will others come forward to hold you accountable. My faith demands that I love God with all my heart, and to do that I must love my neighbors and care enough to speak up for those too downtrodden to speak for themselves.

But I can only speak here today. You have the power to carry this onward to action. I ask you to search your hearts and your own value systems. Remember hard-working people, put yourselves in the shoes of your constituents and act accordingly. Their bankruptcy shame due to medical crisis really is your shame. You are the body that could have acted and has not. Move forward now, and please do not wait for a new president or for favorable political winds. That course takes no courage whatsoever, and I know each of you has shown courage in stepping up to serve this nation. I just think many of you have lost your way in remembering who elected you and who needs your bravery now.

I dedicate this testimony to my brave husband and three other Americans who gave me the courage to tell this story to millions and the conviction that it can do some good:

To my late father, Howard Boyles, who proudly served his nation in the United States Army during World War II and who told me that people have died to protect my right and responsibility to speak up; to Sen. Tom Daschle, who took interest in my family and who spoke up in spite of political consequences; and to an Eagle Scout from Flint, Michigan, named Michael Moore who restored my dignity and my voice on a movie screen in Manhattan and is keeping his Scout's promise to better his community and his nation.

And I am asking each of you to honor these Americans with me. Honor them by pushing this House to action. Please do not ignore those of us who elected you. Please help reduce the bankruptcies filed in this nation by fixing the broken health care system. We will all be better off – individuals, small businesses and even your corporate friends.

Please hold hearings on HR676, and pass universal, single-payer health care for every American.

Thank you.