

My name is Ray Kuntz. I am CEO of Watkins and Shepard Trucking, a Montana based company that operates in all states, has terminals in 15 states, employs 993 people, and has an average Montana wage of \$19.22 per hour. I am also chairman of American Trucking and Transportation Insurance Company a Montana base insurance captive, and I am a past Chairman of the American Trucking Associations, the national organization that represents trucking interests.



The effects of the new health care law has been harsh; our company received an \$80,000 per month increase in costs in October at the time we were trying to bring recession caused wage cuts back. One of the biggest problems is the elimination of the lifetime million dollar exemption. Most of those claims used to go to Medicare after a million and now they come back to our plan. In our case we got a patient back that gets \$30,000 per month of dialysis, and the reinsurance cost went up by about \$60,000 to keep in our program. We pulled the claim out and pay it monthly to save the highly marked reinsurance cost but are stuck with this claim until the end.

I have a proposal that I believe would **LOWER INSURANCE MONTHLY PREMIUMS BY OVER 30%**. That would be to set up a system that would collect a fee on all health care costs and create an unmarked up reinsurance pool that would pay all claims over \$50,000 and be administered by a private health insurance company like Blue Cross.

Benefits

1. We would only buy insurance up to \$50,000 which immediately creates large drops in family health insurance cost.
2. Collect from everyone and spread the cost of high claims over more people including uninsured.
3. Hospitals and doctors would collect on all claims over \$50,000 thereby lowering there costs of uncollected debt and pass savings on to users.
4. Most of the savings come from the large mark up of reinsurers which I believe is more than double.
5. Families get desperately needed relief immediately.
6. Uninsured would have a \$50,000 cap on a possible claim and could survive a medical disaster.
7. Lower insurance costs would attract employers to Montanans

Cons

1. Users would pay more for services at the time of use but potentially not as large of an impact as you think due to eliminating the large uninsured and unpaid claims and spreading these cost over all users

Please consider establishing a study commission to research this plan that has potential to give such great immediate help to Montana employers and families. I would be glad to participate and answer questions.

My email is rayk@wksh.com