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*Testimony – Committee on Education and the Workforce  
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Mr. Chairman, Representative Hudson, and committee members – thank you very much for the opportunity to speak today. The North Carolina Justice Center is a statewide organization created in 1994 committed to reducing poverty and expanding opportunity for all North Carolinians.

I have had the privilege to direct our health care work at the Center for the past fifteen years, and I am very excited to be a part of implementing the Affordable Care Act here in North Carolina.

Millions of North Carolinians are already seeing some benefits from the Act – like kids under 26 able to stay on their parents' health plans to freedom from copayments and coinsurance for basic preventive health services for people both on Medicare and on private coverage to a fairer marketplace where women can no longer be charged more money than men for exactly the same health coverage.

For over one million North Carolinians however – many of us owning or working in small businesses – the best is yet to come. Starting later this year, employees in businesses that choose not to provide health coverage will be able to sign up for new health plans in the health exchange. If their family income is under about \$88,000 a year, they will qualify for tax credits – and the lower your income, the higher the tax credit – that will be worth thousands of dollars and will make that insurance affordable. And business owners will be able to buy coverage in the exchange too.

In addition, business owners and employees will no longer have to worry that a pre-existing health condition will mean insurance companies will quote them unattainable monthly premiums. I cannot tell you how many people over the years I have met around our state

who, because of a pre-existing health condition, have been quoted premiums of \$1,000, even \$2,000 a month! In just a few months, that will be a thing of the past.

Yes – employees will now have a place to go for coverage no matter what.

Let me tell you a story about how the Affordable Care Act will change lives.

In Raleigh the restaurant owner and influential chef Hamid Mohajer could not get health insurance due to a preexisting condition after he started his restaurant. (he attended Campbell College and worked on a tobacco farm before his successful restaurant career – Mo's Diner) His wife had to take a part-time job at a chain restaurant to get some form of coverage. In 2010 Hamid got bone cancer and needed extensive treatment. The flimsy policy offered by his wife's employer capped benefits and didn't cover everything Hamid needed. After he died his wife not only had to worry about sustaining the family's business, she had to host regular fundraisers to pay off the medical bills. That's no way to run a business or a health care system.

The changes for our business owners and employees come too late for Hamid, but will be most welcome by many of the people I meet every day across North Carolina.

Finally, let's get some things straight about the Affordable Care Act and North Carolina:

1. Any business with less than 50 full time employees – 95% of the businesses in NC – has no penalties and has no requirements to meet under the ACA. None. Owners and employees of this vast majority of businesses in our state do get access to the health care exchange however along with tax credits to buy affordable coverage for many families.
2. Governor Pat McCrory's decision to follow the General Assembly and reject over a billion dollars a year from the federal government under the ACA to provide Medicaid health coverage to families earning under \$29,000 a year was a real mistake. There are many

employees who would gain coverage under this provision and it is not right that they will be left out. Business benefits when workers come to work healthy and having health coverage – no matter how low income you are – is a part of that. Medicaid coverage also can help some businesses who have more than 50 full time low income employees avoid paying penalties since their workers can be covered by Medicaid.

3. Finally – we are doing some really innovative things aimed at small businesses in NC with our Medicaid Community Care program and NC Blue Cross – we are starting to test letting Blue Cross-insured businesses use our excellent health care networks under Community Care. This can save money, lower premiums and improve health care at the same time by coordinating our health care better, while using evidence to drive the kind of health care we deliver. This is the kind of innovation we need to see more of.

Thank you.