

U.S. House of Representatives-Committee on Education and the Workforce
Subcommittee on Health, Employment, Labor, and Pensions
June 7, 2011 Field Hearing, Evansville, IN
“The Recent Health Care Law: Consequences for Indiana Families and Workers”
Testimony by Glen S. Graber, Graber Post Buildings

My name is Glen Graber and I am the President of Graber Post Building and Martin Metals. I started Graber Post in 1973 as a 3-man Amish building crew that built post frame buildings. In 1987, I invested in a computerized roll former, which allowed Graber Post to purchase truckloads of steel coils and then roll our own steel siding panels according to its customers' specification. Over the past few years, our company has grown and we've added a new \$1 million state of the art facility in 2007 to house the company's office, showroom and Hardware store.

We employ a total of 210 employees and currently offer a group health insurance plan to every employee. When we began offering health care to our employees in 2001, our total cost was \$.50 per hour per employee, based on 2000 hours of work. Currently, our cost per hour per employee is \$2.25; a \$1.75 per hour per employee increase over a ten year period including a 30% increase from 2010 to 2011. Our current total cost is \$945,000, and if the increase from this last year is any indication, I believe it will only continue to rise.

The rising cost of medical care and health insurance is impacting the livelihood of many Americans. The inability to pay for necessary medical care not longer affects only the uninsured, but is increasingly becoming a problem for those with health insurance. Over the past several years, the premiums that we have paid have more than doubled, as I previously indicated. As an employer, the more my costs for insurance goes up, the less money is available to invest in the company – expanding a customer base, upgrading technology or even increasing wages. The recent healthcare law has forced us to re-evaluate our plan benefits and shift some of the healthcare costs to the employees by raising deductibles and co-pays in order to sustain our healthcare plan.

The new mandated changes to health insurance – no lifetime benefit limits and restricted annual limits, no cost sharing for specific preventive services, no pre-existing condition exclusions for children, dependents covered through age 26 - are good for employees. As an employer, I have to wonder how much premiums will be affected by the mandated increase of plan benefits. The average annual premium increase is currently about 10% to 12%. However, our company is experiencing increases well above that average. Our company is working with our insurance agent to come up with creative ideas that allow us to keep our current plan

design and to control the costs passed onto the employees. We want to be engaged in promoting the health of our employees and their dependents while at the same time protecting our bottom line.