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**TESTIMONY OF DAVID STEIL
SENATE BANKING AND INSURANCE COMMITTEE
SB 400**

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Chairman White, Chairman Stack, Members of the Senate Banking and Insurance Committee, thank you for the opportunity to meet with you today to discuss a health care initiative which, while controversial, is also a methodology which directly addresses the failures of today's health care system.

My background includes over 35 years in manufacturing and distribution, at the senior management level for several mid-size companies. Eighteen years ago I bought out a small manufacturing business which I continue to operate today. We manufacture precision instrumentation and air quality management equipment for the environmental, healthcare, clean room and nuclear markets. Our products are sold throughout the United States and internationally,

In addition to my business background, I served eight terms in the Pennsylvania House of Representatives, retiring in 2008. Therefore I feel competent to discuss legislation that will so critically impact the lives of Pennsylvania residents,

My support for SB 400 rests on several pillars: First, is that I believe healthcare is a core function of government. A basic principle of the theory of government is that it exists to provide the governed with needed services they cannot provide for themselves. This includes public safety, infrastructure and education among others. By this definition healthcare is a needed service, citizens cannot provide for themselves. They must depend on healthcare professionals. Therefore the role of government is to ensure equal access to those professionals.

SB 400 accomplishes that through the establishment of a health care agency to administer in a fair, equal and cost effective manner, the providing of health services to all citizens. Further, it provides a management system and appeals process where there is perceived failure of system responsibilities.

The second principle that we should recognize is that a health care system dependant on the business community to provide is not sustainable. It is a matter of tradition and competition for labor that has put business into health care. We also recognize that a healthy workforce is a productive workforce. In the long term, however, business must focus first on its own needs, primarily the ability to generate product or services profitably.

That is why we are seeing an erosion of business provided healthcare. Many businesses are reducing healthcare benefits or eliminating all health care programs. Not only is health insurance costly, it is generally not central to the mission of the business. Further, it makes competing in

domestic and especially international markets much more difficult. The costs of health care have to be paid, so they must be included in the price of the products and services sold.

In addition to these facets, many businesses, especially small business, are not finitely knowledgeable about the principles and practices of health care. Therefore, we are not always good negotiators in deriving the best and most economical health care plan for our employees. The fact that SB 400 relieves business of these health care responsibilities is a major benefit.

From my standpoint, my company cares about the health of our employees. We also recognize that the intricacies of effective health care delivery are beyond our skill sets. We do know our products, our technology and our markets: we do not have the same depth of knowledge about health care. We would be happy to share the cost of health care, as long as do not have to deliver it.

A third principle of health care is that the recipient of the care must take a central role in the decisions which are always a large part of health care delivery. SB 400 enhances that role by allowing clients to select, grade and evaluate their treatment options, without the pressure of what an insurance provider will approve. Having a standard set of enforceable guidelines will ensure the equal access which we set forth as a basic tenet of health care delivery systems.

Lastly, we should understand that everyone in this country receives healthcare if they really need it. Unfortunately, it is often very late and very costly in the progression of disease. Often the cost is borne by health institutions which must then build those costs into the charges made to clients who pay for their services. In the end, health care is not free, but it frequently shifts the costs somewhere else.

Our next goal is to complete the financial study of SB 400, which will determine appropriate amendments to the legislation. Thank for listening to us today.

David Steil
President
Micro Trap Corp