



**Committee on Ways and Means  
Democrats**

**Representative Charles B. Rangel - Ranking Member**

**BUSH HSA PROPOSALS THREATEN HEALTH  
INSURANCE FOR 160 MILLION PEOPLE**

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**BUSH BUDGET'S HSA PROPOSALS  
THREATEN HEALTH INSURANCE FOR 160 MILLION PEOPLE**

**KEY POINTS**

- HSAs threaten coverage, shift costs to families (ala 401(k)s and pensions)
- Health tax proposals will not lower prices or control costs
- Medicare drug program is perfect example of "market-based" chaos/confusion – GOP's vision for all health purchases

**FACTS**

--Most people get health insurance through the workplace, but coverage is eroding. 160 million people (~60 percent of the non-elderly population) receive health benefits through an employer. Since 2000, nearly six million people have lost health insurance coverage, mostly due to loss of job-based coverage.

--HSAs will dramatically shift costs to families. In-network deductibles for PPOs, the most common type of health plan offered by an employer, averaged \$323 for single coverage and \$679 for family coverage in 2005. Minimum deductibles for an HSA would be \$1,050 for an individual and \$2,100 for a family – an increase of > 300% in both cases.

--Premiums have risen more than 70 percent since President Bush took office. Instead of attacking underlying costs, the President wants to make people pay more.

--HSAs are not health care, they are "wealth care." The budget devotes \$156 billion/10 years to this ideology, with no off-setting savings elsewhere. HSAs are tax shelters for healthy/wealthy.

## Bush HSA Facts Cont'd:

--Bush protects special interests. The fractured U.S. health care system enables private companies to reap massive profits at expense of working Americans. We spend more than any other country (per capita and as a percent of GDP), but the system is low-performing on basic health indicators. U.S. administrative costs – overhead, marketing, profit – are also the highest in the world at >30 percent of total health care spending. Building on existing coverage programs would improve efficiency and increase coverage.

--Fails to help uninsured. These proposals offer virtually nothing for low-wage uninsured families. Indeed, the Administration is unable or unwilling to estimate the number of people who would be newly insured from the proposals or to provide income distribution tables for those who benefit. Even industry data show that 2/3 of current HSA holders shifted from other coverage – validating concerns about erosion.

--HSAs will force more people into bankruptcy. Medical bills are the leading cause of personal bankruptcy, even among people with insurance – 3/4 of people filing for bankruptcy as a result of high medical bills were actually insured.

--Lack of comprehensive coverage hurts the economy. The U.S. loses \$60 - \$130 billion annually in productivity because so many Americans are uninsured.