

HON. RON PAUL OF TEXAS IN THE HOUSE OF REPRESENTATIVES March 27, 2003
Comprehensive Health Care Reform Without Socialized Medicine

Mr. Speaker, America faces a crisis in health care. Health care costs continue to rise while physicians and patients struggle under the control of managed-care "gatekeepers." Obviously, fundamental health care reform should be one of Congress' top priorities.

Unfortunately, most health care reform proposals either make marginal changes or exacerbate the problem. This is because they fail to address the root of the problem with health care, which is that government policies encourage excessive reliance on third-party payers. The excessive reliance on third-party payers removes all incentive from individual patients to concern themselves with health care costs. Laws and policies promoting Health Maintenance Organizations (HMOs) resulted from a desperate attempt to control spiraling costs. However, instead of promoting an efficient health care system, HMOs further took control over health care away from the individual patient and physician.

Returning control over health care to the individual is the key to true health care reform. This is why today I am introducing the Comprehensive Health Care Reform Act. This legislation puts control of health care back into the hands of the individual through tax credits, tax deductions, Medical Savings Accounts, and Flexible Savings Accounts. Specifically, the Comprehensive Health Care Reform Act:

- A. Provides all Americans with a tax credit for 100% of health care expenses. The tax credit is fully refundable against both income and payroll taxes- meaning even low-income taxpayers benefit;
- B. Allows individuals to roll over unused amounts in cafeteria plans and Flexible Savings Accounts (FSAs);
- C. Makes every American eligible for an Archer Medical Savings Account (MSA) and changes the tax laws to increase the benefits of MSAs;

D. Repeals the 7.5% threshold for the deduction of medical expenses, thus making all medical expenses tax deductible.

By providing a wide range of options, this bill allows individual Americans to choose the method of financing health care that best suits their individual needs. Increasing frustration with the current health care system is leading more and more Americans to embrace this approach to health care reform. For example, a recent poll by the respected Zogby firm showed that over 80% of Americans support providing all Americans with access to a Medical Savings Account. I hope all my colleagues will join this effort to put individuals back in control of health care by cosponsoring the Comprehensive Health Care Reform Act.