

Statement of Ron Paul on introducing the Comprehensive Health Care Act

August 2, 2007

Madame Speaker, America faces a crisis in health care. Health care costs continue to rise, leaving many Americans unable to afford health insurance, while those with health care coverage, and their physicians, 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 polices 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.

Furthermore, the predominance of third-party payers means there is effectively no market for individual health insurance policies, thus those whose employers cannot offer them health benefits must either pay exorbitant fees for health insurance or do without health insurance. Since most health care providers cater to those with health insurance, it is very difficult for the uninsured to find health care that meets their needs at an affordable price. The result is many of the uninsured turn to government-funded health care systems, or use their local emergency room as their primary care physician. The result of this is declining health for the uninsured and increased burden on taxpayer-financed health care system.

Returning control over health care to the individual is the key to true health care reform.

The Comprehensive Health Care Reform Act puts control of health care back into the hands of the individual through tax credits, tax deductions, Health Care Savings Accounts (HSA), and Flexible Savings Accounts. By giving individuals tax incentives to purchase their own health care, the Comprehensive Health Care Act will help more Americans obtain quality health insurance and health care. Specifically, the Comprehensive Health Care 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.

B. Allows individuals to roll over unused amounts in cafeteria plans and Flexible Savings Accounts (FSA).

C. Makes every American eligible for an Health Savings Account (HSA), removes the requirement that individuals must obtain a high-deductible insurance policy to open an HSA; allows individuals to use their HSA to make premiums payments for high-deductible policy; and allows senior citizens to use their HSA to purchase Medigap policies.

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 poll by the respected Zogby firm showed that over 80% of Americans support providing all Americans with access to a Health 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.