

SENATE BILL REPORT

SJM 8026

AS OF FEBRUARY 3, 1992

Brief Description: Requesting Congress to promote national health care through tax incentives.

SPONSORS: Senators Thorsness, Owen, West, Roach, Stratton, Sellar, Amondson, Anderson, Hayner, L. Smith, Bailey, Metcalf, Nelson and Erwin

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Scott Plack (786-7409)

Hearing Dates: February 3, 1992

BACKGROUND:

It is estimated that between 11 percent and 14 percent of the people in Washington State are not covered by some form of health insurance. The majority of residents who do have health insurance receive it as a benefit through their employment. However, many part-time and low hourly waged individuals are not provided with this benefit. In addition, a growing number of employers, particularly small employers, are no longer providing this benefit because of the high cost of health care insurance. As a result, many individuals are left to purchase health insurance on their own. The cost of individually purchased health insurance can be prohibitively high for many individuals and families.

Current federal tax laws provides tax deductions for some employers who purchase health insurance on behalf of their employees. This tax benefit is not extended to individuals who purchase their own health insurance. Some believe that tax incentives should be granted to individuals to assist them in purchasing their own insurance. They further believe that such tax changes will empower consumers to shop for the best priced insurance available and place additional pressures for competition into the insurance marketplace.

SUMMARY:

The President and Congress are memorialized to repeal current tax deductions to businesses for providing health insurance. Congress is urged to allocate money back to consumers so they can shop for their own health care insurance. They are further requested to create tax deductions for individuals who purchase health insurance, receive services through a preferred provider and purchase prescriptions and over-the-counter medications. Higher tax credits should be given to very low income individuals and high medical care users so they may shop for basic health care. Congress is further

requested to require all individuals to purchase at least basic and catastrophic health care for themselves and their families.

Appropriation: none

Revenue: none

Fiscal Note: none requested