

By: Eissler

H.C.R. No. 90

HOUSE CONCURRENT RESOLUTION

1 WHEREAS, Medical Savings Accounts (MSAs) offer an innovative
2 alternative to high-premium insurance policies by combining
3 tax-free savings accounts and high-deductible catastrophic health
4 insurance plans; and

5 WHEREAS, Individuals choosing to use these accounts can pay
6 for routine and minor medical services with funds set aside in a
7 tax-free savings account, while major health care costs are covered
8 by their high-deductible health insurance plans; and

9 WHEREAS, Tax-free MSAs encourage individuals to make wise and
10 economical decisions about their health care because managing their
11 own accounts often makes them more aware of the true costs of health
12 care; MSAs also offer participants greater access to medical
13 services and the freedom to choose their own health care providers;
14 and

15 WHEREAS, A survey of MSA plan participants shows that
16 employers offering MSAs to their employees have been able to reduce
17 health insurance expenses by up to 40 percent; in contrast,
18 employers overall have recently experienced an average 16 percent
19 increase in health insurance premiums, with some small employers
20 confronting increases of 40 to 50 percent; and

21 WHEREAS, The federal MSA pilot program, which was designed
22 for small employer groups and the self-employed, carries
23 restrictions that may discourage participation in the program and
24 create confusion among potential applicants, employers, and

1 insurance providers; and

2 WHEREAS, The federal MSA pilot program limits annual
3 deductibles for participating employees to not less than \$1,700 or
4 more than \$2,500 for an individual and not less than \$3,500 or more
5 than \$6,150 for a family; annual out-of-pocket expenses under the
6 plan cannot exceed \$3,350 for individual coverage and \$6,150 for
7 family coverage; and annual limits for account contributions are 65
8 percent of the deductible for an individual account and 75 percent
9 of the deductible for a family account; and

10 WHEREAS, According to 1996 data, about 85 percent of
11 Americans incurred medical expenses, with an average per-person
12 expenditure of about \$2,400, an amount well within the range limits
13 of the MSA annual contribution for an individual account; even more
14 significant is the fact that about half of those persons who
15 incurred medical expenses had expenses of less than \$560; and

16 WHEREAS, Any unspent MSA funds for a given year may be rolled
17 over to the following year; after age 65, unspent funds can be
18 rolled over to an Individual Retirement Account or withdrawn
19 without penalty for any use and taxed as ordinary income; and

20 WHEREAS, Expanding the availability of MSAs to other
21 employers, increasing the account contribution limits, and
22 lowering the limits on annual deductibles for participating
23 employees would encourage greater participation among consumers,
24 employers, and insurance providers; now, therefore, be it

25 RESOLVED, That the 78th Legislature of the State of Texas
26 hereby respectfully request the Congress of the United States to
27 broaden the scope and availability of the medical savings account

1 program, remove its restrictions, and allow state governments to
2 design such programs for their employees; and, be it further

3 RESOLVED, That the Texas secretary of state forward official
4 copies of this resolution to the president of the United States, to
5 the speaker of the house of representatives and the president of the
6 senate of the United States Congress, and to all members of the
7 Texas delegation to the congress with the request that this
8 resolution be officially entered in the Congressional Record as a
9 memorial to the Congress of the United States of America.