

1-1 By: Eissler (Senate Sponsor - Staples) H.C.R. No. 90
1-2 (In the Senate - Received from the House May 16, 2003;
1-3 May 19, 2003, read first time and referred to Committee on State
1-4 Affairs; May 23, 2003, reported favorably by the following vote:
1-5 Yeas 6, Nays 0; May 23, 2003, sent to printer.)

1-6 HOUSE CONCURRENT RESOLUTION

1-7 WHEREAS, Medical Savings Accounts (MSAs) offer an innovative
1-8 alternative to high-premium insurance policies by combining
1-9 tax-free savings accounts and high-deductible catastrophic health
1-10 insurance plans; and

1-11 WHEREAS, Individuals choosing to use these accounts can pay
1-12 for routine and minor medical services with funds set aside in a
1-13 tax-free savings account, while major health care costs are covered
1-14 by their high-deductible health insurance plans; and

1-15 WHEREAS, Tax-free MSAs encourage individuals to make wise and
1-16 economical decisions about their health care because managing their
1-17 own accounts often makes them more aware of the true costs of health
1-18 care; MSAs also offer participants greater access to medical
1-19 services and the freedom to choose their own health care providers;
1-20 and

1-21 WHEREAS, A survey of MSA plan participants shows that
1-22 employers offering MSAs to their employees have been able to reduce
1-23 health insurance expenses by up to 40 percent; in contrast,
1-24 employers overall have recently experienced an average 16 percent
1-25 increase in health insurance premiums, with some small employers
1-26 confronting increases of 40 to 50 percent; and

1-27 WHEREAS, The federal MSA pilot program, which was designed
1-28 for small employer groups and the self-employed, carries
1-29 restrictions that may discourage participation in the program and
1-30 create confusion among potential applicants, employers, and
1-31 insurance providers; and

1-32 WHEREAS, The federal MSA pilot program limits annual
1-33 deductibles for participating employees to not less than \$1,700 or
1-34 more than \$2,500 for an individual and not less than \$3,500 or more
1-35 than \$6,150 for a family; annual out-of-pocket expenses under the
1-36 plan cannot exceed \$3,350 for individual coverage and \$6,150 for
1-37 family coverage; and annual limits for account contributions are 65
1-38 percent of the deductible for an individual account and 75 percent
1-39 of the deductible for a family account; and

1-40 WHEREAS, According to 1996 data, about 85 percent of
1-41 Americans incurred medical expenses, with an average per-person
1-42 expenditure of about \$2,400, an amount well within the range limits
1-43 of the MSA annual contribution for an individual account; even more
1-44 significant is the fact that about half of those persons who
1-45 incurred medical expenses had expenses of less than \$560; and

1-46 WHEREAS, Any unspent MSA funds for a given year may be rolled
1-47 over to the following year; after age 65, unspent funds can be
1-48 rolled over to an Individual Retirement Account or withdrawn
1-49 without penalty for any use and taxed as ordinary income; and

1-50 WHEREAS, Expanding the availability of MSAs to other
1-51 employers, increasing the account contribution limits, and
1-52 lowering the limits on annual deductibles for participating
1-53 employees would encourage greater participation among consumers,
1-54 employers, and insurance providers; now, therefore, be it

1-55 RESOLVED, That the 78th Legislature of the State of Texas
1-56 hereby respectfully request the Congress of the United States to
1-57 broaden the scope and availability of the medical savings account
1-58 program, remove its restrictions, and allow state governments to
1-59 design such programs for their employees; and, be it further

1-60 RESOLVED, That the Texas secretary of state forward official
1-61 copies of this resolution to the president of the United States, to
1-62 the speaker of the house of representatives and the president of the
1-63 senate of the United States Congress, and to all members of the
1-64 Texas delegation to the congress with the request that this

2-1 resolution be officially entered in the Congressional Record as a
2-2 memorial to the Congress of the United States of America.

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