

RESOLUTION 79 – 06A

Title: Expanding Health Insurance: The AMA Proposal for Reform

Introduced by: Brett C. Ferguson for the Medical Student Section

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Referred to: Reference Committee A

House Action:

Whereas, policy advancements that enable every American to have health insurance is a priority of the American Medical Association, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, there are an estimated 45 million uninsured Americans (15.6 percent of the population), jeopardizing their health and the healthy development of their children (see U.S. Census Bureau, “Income, Poverty, and Health Insurance Coverage in the United States: 2003,” August 2004, and

Whereas, among the uninsured, nearly 85 percent are employed or in households headed by workers, (see the Kaiser Commission on Medicaid and the Uninsured, 2004), and

Whereas, more than 64 percent of employers do not offer health coverage benefits to their employees, (see Employee Benefit Research Institute, “EBRI Notes,” October 2004), and

Whereas, uninsured workers contribute, through taxation, to the financing of Medicare and Medicaid beneficiaries, and to the subsidization of those with employment-based coverage (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, the uninsured, most of whom either work or are in a family headed by a worker, do not have access to the health insurance subsidies enjoyed by others, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, the federal government currently subsidizes an estimated \$100 billion for employment based health insurance by excluding expenditures on health insurance from an individual’s or family’s taxable income, but only if insurance is obtained through an employer, since employment-based health benefits are excluded from taxable income, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, no tax break or government tax subsidy is given to individuals who purchase their own health insurance, or to workers whose employers do not offer coverage and who do not qualify for Medicaid or Medicare, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, employees who do not receive health benefits through their employers are taxed on all of their income and, if they want health insurance, they must purchase it without any subsidy, while employees who receive health benefits through their employers are afforded these benefits untaxed, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, the American Medical Association has proposed a subsidy for health insurance that would be based on income, without regard to whether coverage is obtained through an employer or individually purchased, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, the current subsidy for employment-based health insurance is regressive, and the majority of the current regressive tax subsidy for health insurance goes to the minority of Americans with the highest incomes, since those with better jobs and higher incomes tend to receive better and more expensive employment-based health insurance subsidized by the government as untaxed income (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, the American Medical Association's health insurance reform proposal calls for a subsidy for health insurance that would be inversely related to income, providing refundable and advanceable tax credits to all individuals or families who purchase health insurance, and replacing the current subsidy with a subsidy that is fair and offers more benefit to those who need it the most, low income working families, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, many states, including Michigan, are facing difficult decisions in Medicaid funding, including cutting benefits and reducing or freezing payments to physician, (see Kaiser Commission on Medicaid and the Uninsured "The Continuing Medicaid Budget Challenge: State Medicaid Spending Growth and Cost Containment in Fiscal Years 2004 and 2005: Results from a 50-State Survey," October 2004), and

Whereas, under the American Medical Association's proposal for health insurance reform, Medicaid eligible individuals would receive a tax subsidy that is large enough to enable them to purchase coverage with no cost-sharing obligations, while individuals who would otherwise qualify in an optional Medicaid eligibility group would receive an amount that is large enough to enable them to purchase coverage with limited cost-sharing, thereby reducing the financial strain on Medicaid, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, under the American Medical Association’s proposal for health insurance reform, low-income individuals who do not qualify for Medicaid, and cannot afford to purchase health insurance, would receive federally issued tax credits or vouchers that are large enough to enable them to cover a substantial portion of their coverage, with moderate cost-sharing, thereby greatly reducing the number of uninsured individuals in the United States, (see Expanding Health Insurance: the AMA Proposal for Reform, 2005), and

Whereas, the American Medical Association has asserted that individuals should be enabled to obtain not only health insurance, but specifically the health insurance they want, (see Expanding Health Insurance: The AMA Proposal for Reform, 2005), and

Whereas, under the American Medical Association’s proposal for health insurance reform, the health insurance market would be predicted to expand, and individuals would have a wider range of choices from a market that is responsive to individual, rather than employer, demand, thus reducing costs and expanding coverage, while expanding individual choice, (see Expanding Health Insurance: The AMA Proposal for Reform, 2005), and

Whereas, the American Medical Association believes that individually owned health insurance, accomplished through these fundamental changes in the current tax and individual insurance market systems, would provide the best opportunity to reverse the growth in the number of the uninsured, and decrease health insurance costs, while also increasing the health plan choices of all Americans, (see Expanding Health Insurance: The AMA Proposal for Reform, 2005); therefore be it

RESOLVED: That the Michigan Delegation to the AMA ask the AMA to more actively support “Expanding Health Insurance: the American Medical Association Proposal For Reform;” and be it further

RESOLVED: That the Michigan Delegation to the AMA ask the AMA to increase efforts to educate the public, physicians, and medical students about the American Medical Association Proposal For Reform at the national, state, and local level; and be it further

RESOLVED: That the Michigan Delegation to the AMA ask the AMA to increase lobbying efforts in support of the American Medical Association Proposal For Reform; and be it further

RESOLVED: That the Michigan Delegation to the AMA ask the AMA to make advocacy for the American Medical Association Proposal For Reform a priority; and be it further

RESOLVED: That the Michigan Delegation to the AMA ask the AMA to support legislation that includes any or all of the policy changes proposed in “Expanding Health Insurance: the American Medical Association Proposal For Reform;” and be it further

RESOLVED: That the Michigan Delegation to the AMA ask the AMA to facilitate distribution of, in written or electronic form, a copy of “Expanding Health Insurance: the American Medical Association Proposal For Reform,” to all medical school chapters for distribution to medical students for the purpose of educating future physicians about the current problem and the American Medical Association’s Proposal For Reform.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE