
SENATE JOINT MEMORIAL 8025

State of Washington

53rd Legislature

1993 Regular Session

By Senators McDonald and Roach

Read first time 03/30/93. Referred to Committee on Health & Human Services.

1 TO THE HONORABLE BILL CLINTON, PRESIDENT OF THE UNITED STATES, AND
2 TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
4 UNITED STATES, IN CONGRESS ASSEMBLED:

5 We, your Memorialists, the Senate and House of Representatives of
6 the State of Washington, in legislative session assembled, respectfully
7 represent and petition as follows:

8 WHEREAS, It is estimated thirty-seven million Americans are without
9 health insurance, many while between jobs, and more are underinsured
10 because of the effects of rising health care costs and spending. The
11 costs of health care are escalating forcing employers to trim the level
12 and availability of health care benefits to their employees; and

13 WHEREAS, Overutilization of health care services for relatively
14 small claims is one of the most significant causes of health care cost
15 and spending increases. Currently, more than two-thirds of all
16 insurance claims for medical spending are less than three thousand
17 dollars per family per year in this country; and

18 WHEREAS, In response to the runaway cost increases on health care
19 spending in this country, the private sector has developed the concept
20 of medical care savings accounts. This initiative is designed to
21 ensure health insurance availability for Americans. It is predicated

1 on providing incentives to eliminate unnecessary medical treatment and
2 encourage competition in seeking health care; and

3 WHEREAS, Through employer-funded medical care savings account
4 arrangements and reduced cost qualified higher deductible insurance
5 policies, millions of Americans could insure themselves for both
6 routine and major medical services. Under the concept of medical care
7 savings accounts, an employer currently providing employee health care
8 benefits would purchase instead a lower cost, high deductible major
9 medical policy on each employee. The employer may then set aside the
10 saved premium differential in a medical care savings account
11 arrangement. The participating employees would use the money in the
12 account to pay their medical care expenses up to the deductible.
13 However, any account money unspent by the participating employees in a
14 plan year would then belong to the employee to save, spend on medical
15 care, or otherwise. This would be a strong incentive for people not to
16 abuse health expenditures and to institute "cost-shopping" for medical
17 care services; and

18 WHEREAS, By setting aside money for employees to spend on health
19 care, employees could change jobs and use the money they had so far
20 earned to buy interim health insurance or cover health care expenses
21 thereby eliminating the problem of uninsureds between jobs and helping
22 reduce "job-lock"; and

23 WHEREAS, By making medical care decisions the employee's
24 prerogative, individual policyholders have a strong stake in reducing
25 costs. This simple financial mechanism will expand health insurance
26 options to others who presently have no insurance. Most importantly,
27 this move to decrease health care cost burdens in this country would
28 require no new federal bureaucracy and would be revenue neutral to
29 employers;

30 NOW, THEREFORE, Your Memorialists respectfully pray that the
31 Congress of the United States enact legislation swiftly and in good
32 faith to enable Americans to establish medical care savings accounts;

33 BE IT RESOLVED, That copies of this Memorial be immediately
34 transmitted to the Honorable Bill Clinton, President of the United
35 States, the President of the United States Senate, the Speaker of the
36 House of Representatives, and each member of Congress from the State of
37 Washington.

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