
**Health Care & Wellness
Committee**

HJM 4014

Brief Description: Requesting that Congress amend the Tax Reform Act of 1954, Medicaid, and Medicare and grant authority on allocation of health care dollars.

Sponsors: Representatives Morrell, Cody, Darneille, Hankins, Lovick, Linville, Kessler, Morris, Goodman, Clibborn, Williams, Green, Grant, Kagi, Moeller, Conway, Seaquist, Kenney, McIntire, Schual-Berke and Hurst.

Brief Summary of Bill

- Congress is requested to change federal tax policy related to employer sponsored health care, the Medicaid program, and the Medicare program to create a sustainable program designed to provide health coverage to citizens in an efficient, coordinated, and effective manner.

Hearing Date: 2/21/07

Staff: Dave Knutson (786-7146).

Background:

The federal government passed the Tax Reform Act of 1954 which excluded to cost of employer-sponsored health insurance from the definition of taxable income. The cost of this public subsidy of employer-sponsored coverage is estimated at \$200 billion per year. The Medicaid program was enacted in 1965 to provide health coverage to low-income individuals who fit into certain categories, such as, aged, blind, disabled, and poor women and children. The Medicare program was also enacted in 1965. It provides access to health care for older citizens. It is an entitlement for individuals over age 65 regardless of the income of the person. These three federal policy initiatives are not well coordinated, and are difficult for states to use as vehicles for providing efficient and affordable health care for people of different ages, disabilities and income levels.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Congress is asked to amend the Tax Reform Act of 1954, Medicaid, and Medicare to create a sustainable system, and allow the State of Washington to allocate funds spend on health care to create a system that will improve the health of Washingtonians and provide access to affordable accessible health coverage.

Appropriation: None.

Fiscal Note: Not requested.