

## DeLauro, Larson: Health Savings Accounts Will Not Solve National Health Care Crisis

FOR IMMEDIATE RELEASE: April 3, 2006

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Lawmakers argue for serious discussion on rising prescription drug costs,  
flaws in Medicare Part D

WASHINGTON, D.C. – In a letter to President Bush, Congresswoman Rosa L. DeLauro (Conn.-3) and Congressman John B. Larson (Conn.-1) today said that health savings accounts would do nothing to solve the national health care crisis. The lawmakers instead argued that a serious discussion was needed on how to fix the health care system in America, including the issue of rising prescription drug prices and the flawed Medicare prescription drug program.

Currently, 46 million Americans – nearly 400,000 of those in Connecticut – have no health insurance. The president is scheduled to travel to Connecticut later this week to tout his proposal for health savings accounts.

Health care is an issue of vital concern to the people of Connecticut and to all Americans, and our constituents care deeply about having access to affordable health care. Unfortunately, health savings accounts are not the answer, wrote the lawmakers. We opposed the creation of health savings accounts because they would isolate less healthy, and likely older, individuals into higher-cost plans – creating an unfair playing field for these individuals who will likely face higher premiums. Meanwhile, HSAs seem to be geared as a tax shelter for the most affluent families and individuals.

Instead of discussing HSAs, which will not benefit the majority of Americans, we should be discussing the rising costs of prescription drugs and the deeply flawed Medicare Part D benefit. As the deadline to sign up for a Medicare Part D plan draws near, we remain concerned about the numerous problems pharmacists and beneficiaries have faced during the program's implementation.

The full text of the letter follows.

Dear Mr. President:

Thank you for inviting us to join you in Bridgeport, CT on April 5, 2006 to discuss health savings accounts. Unfortunately, scheduling conflicts will not allow us to participate.

As you know, health care is an issue of vital concern to the people of Connecticut and to all Americans, and our constituents care deeply about having access to affordable health care. Unfortunately, health savings accounts are not the answer. Instead, they will end up costing consumers more money and providing less health care. In fact, Senate Finance Committee Chairman Chuck Grassley has already said that HSAs are going nowhere in the Senate. We encourage you to consider real solutions to the health care crisis that will reduce the number of uninsured people in this country and provide accessible, affordable health insurance to all Americans. In short, our view is that HSAs are wealth-care, not health care.

While you are aware that we opposed the creation of health savings accounts in 2003, we look forward to engaging with you on solutions to expand access to health insurance. We opposed the creation of health savings accounts because they would isolate less healthy, and likely older, individuals into higher-cost plans -- creating an unfair playing field for these individuals who will likely face higher premiums. Meanwhile, HSAs seem to be geared as a tax shelter for the most affluent families and individuals. These concerns were confirmed by a Government Accountability Office report published in January 2006. The report found that members of the Federal Employee Health Benefits Plan who enrolled in high-deductible health plans coupled with HSAs tended to be younger and earned higher federal salaries.

Instead of discussing HSAs, which will not benefit the majority of Americans, we should be discussing the rising costs of prescription drugs and the deeply flawed Medicare Part D benefit. As the deadline to sign up for a Medicare Part D plan draws near, we remain concerned about the numerous problems pharmacists and beneficiaries have faced during the program's implementation. Connecticut, as well as most other states, has reimbursed pharmacists for the costs they have incurred under this federal program, and the state awaits reimbursement for this expenditure. We maintain that permitting drug price negotiations and reimportation would vastly improve this new program for beneficiaries and make prescription drugs more affordable for our constituents. We will continue to work at improving the Medicare Part D plan so that it truly serves the needs of Medicare beneficiaries. Seniors want the drugs they need at a price they can afford.

Again, thank you for your gracious invitation and we look forward to working with you. Mr. President, the health care

crisis is upon us. Let us work on a bipartisan solution to address rising prescription drug costs and the millions of uninsured in this country.

Sincerely,

ROSA L. DELAURO

JOHN B. LARSON

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