

March 8, 2000

The Honorable James M. Jeffords  
Chairman  
Committee on Health, Education, Labor and Pensions  
428 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Jeffords:

The American College of Physicians-American Society of Internal Medicine (ACP-ASIM) applauds your leadership in the development of bipartisan legislation to provide tax credits to purchase health insurance. ACP-ASIM, representing more than 115,000 physicians who specialize in internal medicine and medical students, strongly believes that refundable tax credits targeted to lower-income Americans can be an effective step toward making progress in reversing the trend of ever-increasing numbers of uninsured. We pledge our support for your efforts, as well as those of your colleagues in the House of Representatives, to get such legislation enacted into law in this session of Congress.

A recent ACP-ASIM study (*No Health Insurance: It's Enough to Make You Sick*) presents strong evidence that the lack of health insurance is a serious health risk. The analysis confirms what physicians have observed in their practices and communities over many years. Patients without health insurance, compared to insured Americans, tend to live sicker lives and die earlier. The urgency of the problem grows daily despite the current unprecedented economic boom.

The College strongly supports the use of tax credits to bring health insurance within the financial reach of at least a portion of the more than 44 million uninsured Americans, the majority of whom are employed. It is our view that your bill contains important features that will achieve a reduction in the number of uninsured in a way that is both financially prudent and enactable.

ACP-ASIM strongly supports provisions in your bill that call for refundable and targeted credits. By targeting low and moderate income individuals and making the credit refundable, your proposal will reach those who face the greatest financial barriers to purchasing insurance at the time they need it, e.g., when payments are due, not at the end of the year. We believe your proposal will minimize disruption in both public- and employer-provided coverage by building on, rather than replacing, the current system. The College would hope to see the amount of the premium contribution provided through the tax credits increased as the bill makes its way through the legislative process, although we recognize that the amount of the tax credit will be influenced by budgetary considerations. Research has shown that refundable tax credits are most effective in expanding coverage for lower-income individuals if they cover most of the cost of the insurance premium.

Many of the ideas in your bill are similar to proposals that ACP-ASIM released last year to make health insurance coverage available to all Americans with incomes up to 150% of the poverty level, through a combination of refundable tax credits, Medicaid and S-CHIP expansion, increased funding for outreach, and COBRA subsidies. We will provide you with a copy of our proposal under separate cover. The College remains committed to working for affordable, high quality health care for all Americans.

You, along with Senators Frist, Breaux, Majority Leader Arney, and Rep. Dooley, worked together so effectively to produce this legislation and are to be commended for this significant achievement. We look forward to working with you to assist in building support for your bill.

Sincerely,

Whitney Addington, MD, FACP  
President