

# THE HSA Insider

*Health Savings Accounts: Politics, Regulations and Industry News*

Friday, February 27, 2004

Volume 1

Number 6

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## Above the Line Deduction for Individuals Who Purchase HSAs Marches Forward

The bill to implement President Bush's State of the Union proposal to provide a 100% above the line tax deduction for the premium of the high deductible insurance part of Health Savings Account has not yet been introduced (so there is no bill number) but has most of the Members of the U.S. House of Representative's Ways and Means Committee as original cosponsors. The bill will be introduced after a kick-off press conference on March 4th at 2:30 p.m. in Room H-140 of the Capitol.

Principle cosponsors (as of today) are Representatives Philip M. Crane (R-IL), Sam Johnson (R-TX), Eric I. Cantor (R-VA), Jim Ramstad (R-MN), and as original cosponsors: Jim McCrery (R-LA), Paul Ryan (R-WI), Kevin Brady (R-TX), Jennifer Dunn (R-WA), Nancy Johnson (R-CT), J.D. Hayworth (R-AZ), Wally Herger (R-CA), Phil English (R-PA), Scott McInnis (R-CO), Gil Gutknecht (R-MN), Joe Wilson (R-SC), John T. Doolittle (R-CA), Roscoe Bartlett (R-MD), C.L. "Butch" Otter (R-ID), Cass Ballenger (R-NC), Ron Paul (R-TX), Jim Ryan (R-KS), Mark Green (R-WI), Michael C. Burgess (R-TX), John Peterson (R-PA), Marsha Blackburn (R-PA), and Chris Cannon (R-UT).

Congressman Crane's Dear Colleague (the letter he sent to other House members) states in part: "During the State of the Union Address, President Bush called on Congress to take action to address rising health care costs. More specifically he suggested a proposal to allow individuals who have catastrophic health care coverage with a health savings account (HSA) to deduct 100 percent of the premiums from their taxes. Today we invite you to join us in cosponsoring that legislation.

"Very soon we will introduce legislation to make healthcare coverage even more accessible. Our bill will allow individuals who buy catastrophic health insurance as part of their new health savings account to deduct 100 percent of the premium from their taxes. This deduction would be available to all Americans with a health savings account regardless of whether the individual itemizes or not. This legislation is an important step towards reducing the rolls of the uninsured and ensuring that more people have access to affordable health care."

# Sound Bites

## President Bush: HSAs Give You More Control Over Your Health Care

“We also recognize that these are changing times, the economy is changing, people go to work in different ways. And therefore, the policy ought to reflect that. The policy ought to reflect it through health care, where people have got more control over their health care decisions. Health savings accounts are one such way to do that.”

Remarks by the President to the National Association of Governors Association, State Dining Room, February 23, 2004. [Click here.](#)

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## HSAs' Number One Salesman, The President of the United States

“The President of the United States has become the number one salesman and marketer for Health Savings Accounts (HSAs).”

Celebrating Consumer Choice, The Heartland Institute, March 1, 2004. [Click here.](#)

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## Senator John Kerry (D-MA) Says HSAs are for the Rich and Healthy

Sen. John Kerry: “Health savings accounts are not the answer to rising health care costs. They primarily benefit healthy, upper-income Americans while doing little to expand coverage. I have proposed a comprehensive cost containment plan which will allow families to save as much as \$1,000 a year on their premiums and which does not leave the poor and the sick behind.”

“Candidates on the Issues,” The Guardian, February 12, 2004. [Click here.](#)

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## HSAs Will Become the Health Care ‘Financing Methodology of Choice’

“The Health Savings Account is going to become the financing methodology of choice,” Price says. ‘If you can pay for health expenses on a tax-free basis, that's very significant.’”

‘Tax Cuts Could Ease Filing Day,’ The Palm Beach Post, February 22, 2004. [Click here.](#)

# Market Intel

## National Association of Health Underwriters See HSAs as the ‘Wave of the Future’

“Health savings accounts and other individualized health plans will give Americans more control over their health-care spending, an official with a national underwriters group said Tuesday. ‘I see these types of accounts being the wave of the future,’ said Janet Trautwein, vice president of government affairs for the National Association of Health Underwriters.”

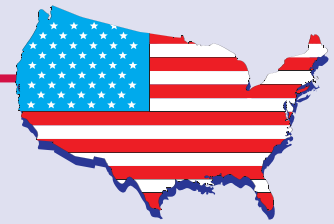
“New Health Plans Seen as Beneficial,” Kansas City Star, February 25, 2004. [Click here.](#)

## Plan3's MSA for CATO Decreased Their Health Costs Over a Five Year Period

“The Cato Institute of Washington DC is one of our clients. With 75 or so employees they have not only had no plan changes since plan inception in 1997, but their costs have decreased over the past 5 years.”

Letter to President Bush from Dennis Kelly, Plan3's President, dated February 14, 2004. [Click here.](#)

# Market Intel - Special Chart Addition



Only 58 Days Since the Law Became Effective,  
and HSA Insurance is Now Sold in 48 States

STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b><u>Alabama</u></b>	American Republic Insurance Company	✓			
	Assurant	✓			
	Central Reserve Life Insurance Company	✓	✓	✓	
<b><u>Alaska</u></b>	Assurant	✓			
	Premera Blue Cross		✓	✓	Plans not available until June 1, 2004.
<b><u>Arizona</u></b>	American Medical Security Group	✓			
	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Central Reserve Life Insurance Company	✓	✓	✓	
	LifeWise Health	✓	✓	✓	
	Medical Savings Insurance	✓			
	Mennonite Mutual Aid	✓	✓	✓	
<b><u>Arkansas</u></b>	American Medical Security Group	✓			
	Assurant	✓	✓		
	Golden Rule Insurance Company		✓		
	Medical Savings Insurance	✓			

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b>California</b>	Aetna			✓	
	Assurant	✓			
	Blue Cross of California	✓	✓	✓	
	Medical Savings Insurance			✓	
	Mennonite Mutual Aid	✓	✓	✓	
	Unicare			✓	
<b>Colorado</b>	American Medical Security Group			✓	
	Assurant	✓			
	Mennonite Mutual Aid	✓	✓	✓	
<b>Connecticut</b>	Aetna			✓	
	American Republic Insurance Company	✓			
	Assurant	✓			
<b>Delaware</b>	Assurant	✓	✓		
<b>District of Columbia</b>	Assurant		✓		
	Golden Rule Insurance Company		✓		
<b>Florida</b>	American Medical Security Group	✓			
	Assurant	✓			
	Medical Savings Insurance	✓			
	Mennonite Mutual Aid	✓	✓	✓	

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b><u>Georgia</u></b>	Aetna			✓	
	American Medical Security Group	✓			
	Assurant	✓	✓		
	Blue Cross Blue Shield of Georgia	✓	✓	✓	
<b><u>Hawaii</u></b>	Assurant	✓			
<b><u>Idaho</u></b>	Assurant	✓	✓		
	Mennonite Mutual Aid	✓	✓	✓	
<b><u>Illinois</u></b>	Aetna	✓	✓		
	American Medical Security Group	✓			
	American Republic Insurance Company	✓			
	Assurant	✓			
	Blue Cross Blue Shield of Illinois	✓	✓	✓	
	Central Reserve Life Insurance Company	✓	✓	✓	
	Destiny Health	✓	✓	✓	
	Golden Rule Insurance Company		✓		
	Guardian	✓	✓	✓	
	Medical Savings Insurance	✓			
	Mennonite Mutual Aid	✓	✓	✓	
	Unicare			✓	
<b><u>Indiana</u></b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b>Indiana</b> <i>(continued)</i>	Central Reserve Life Insurance Company	✓	✓	✓	
	Golden Rule Insurance Company		✓		
	Medical Savings Insurance	✓			
	Mennonite Mutual Aid	✓	✓	✓	
	SIHO Insurance Services			✓	
	Unicare			✓	
<b>Iowa</b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Golden Rule Insurance Company		✓		
	Mennonite Mutual Aid	✓	✓	✓	
<b>Kansas</b>	Assurant	✓			
	Mennonite Mutual Aid	✓	✓	✓	
<b>Kentucky</b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		
<b>Louisiana</b>	Assurant	✓	✓		
	Blue Cross Blue Shield of Louisiana	✓		✓	
<b>Maine</b>					No insurers offering HSAs at this time.
<b>Maryland</b>	Aetna			✓	
	Assurant	✓			
	Mennonite Mutual Aid	✓	✓	✓	

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b>Massachusetts</b>	Destiny Health	✓	✓	✓	
	Tufts	✓	✓	✓	
<b>Michigan</b>	American Medical Security Group	✓			
	Assurant	✓	✓		
	Golden Rule Insurance Company		✓		
	Mennonite Mutual Aid	✓	✓	✓	
<b>Minnesota</b>	Assurant	✓	✓		
	Blue Cross Blue Shield of Minnesota	✓	✓		
	Mennonite Mutual Aid	✓	✓	✓	
<b>Mississippi</b>	Assurant	✓	✓		
	Golden Rule Insurance Company		✓		
<b>Missouri</b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Blue Cross Blue Shield of Missouri	✓	✓	✓	Plans not available until summer 2004.
	Central Reserve Life Insurance Company	✓	✓	✓	
	Golden Rule Insurance Company		✓		
<b>Montana</b>	Assurant	✓	✓		
	Mennonite Mutual Aid	✓	✓	✓	

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b><u>Nebraska</u></b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Central Reserve Life Insurance Company	✓	✓	✓	
	Golden Rule Insurance Company		✓		
	Medical Savings Insurance	✓			
	Mennonite Mutual Aid	✓	✓	✓	
<b><u>Nevada</u></b>	Assurant	✓	✓		
	Medical Savings Insurance	✓			
<b><u>New Hampshire</u></b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		
<b><u>New Jersey</u></b>	Aetna			✓	
	Assurant	✓			
<b><u>New Mexico</u></b>	American Republic Insurance Company	✓			
	Assurant	✓			
<b><u>New York</u></b>	Aetna			✓	
	Perfect Health of New York		✓		
<b><u>North Carolina</u></b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		
<b><u>North Dakota</u></b>	Assurant	✓	✓		

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b><u>Ohio</u></b>	American Medical Security Group	✓			
	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Central Reserve Life Insurance Company	✓	✓	✓	
	Golden Rule Insurance Company		✓		
	Medical Mutual of Ohio	✓	✓	✓	Will offer HSAs beginning in the next 1 to 3 months, with Indiana to follow sometime after that.
	Medical Savings Insurance	✓	✓	✓	
	Mennonite Mutual Aid		✓		
<b><u>Oklahoma</u></b>	American Medical Security Group	✓			
	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Central Reserve Life Insurance Company	✓			
	Golden Rule Insurance Company		✓		
	Medical Savings Insurance	✓	✓	✓	
	Mennonite Mutual Aid	✓	✓	✓	
<b><u>Oregon</u></b>	American Republic Insurance Company	✓			
	Assurant	✓			
	LifeWise Health	✓	✓	✓	
	Mennonite Mutual Aid	✓	✓	✓	

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b><u>Pennsylvania</u></b>	Aetna			✓	
	American Medical Security Group	✓			
	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Central Reserve Life Insurance Company	✓	✓	✓	
	Golden Rule Insurance Company		✓		
	Mennonite Mutual Aid	✓	✓	✓	
<b><u>Rhode Island</u></b>					No insurers offering HSAs at this time.
<b><u>South Carolina</u></b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Blue Cross Blue Shield of SC	✓	✓	✓	
	Medical Savings Insurance	✓			
<b><u>South Dakota</u></b>	Assurant	✓	✓		
	Mennonite Mutual Aid	✓	✓	✓	
<b><u>Tennessee</u></b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Central Reserve Life Insurance Company	✓	✓	✓	
<b><u>Texas</u></b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b>Texas</b> <i>(continued)</i>	Golden Rule Insurance Company		✓		
	Unicare			✓	
<b>Utah</b>	Assurant	✓	✓		
<b>Vermont</b>	Blue Cross Blue Shield of Vermont	✓	✓	✓	Plans available to associations.
<b>Virginia</b>	Aetna			✓	
	American Medical Security Group	✓			
	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Central Reserve Life Insurance Company	✓	✓	✓	
	Golden Rule Insurance Company		✓		
	Medical Savings Insurance	✓			
	Mennonite Mutual Aid	✓	✓	✓	
	Unicare			✓	
<b>Washington</b>	Aetna			✓	
	LifeWise Health	✓			
	Mennonite Mutual Aid	✓	✓	✓	
	Premera Blue Cross		✓	✓	Plans not available in AK until June 1, 2004, and in WA until July 1, 2004.
<b>West Virginia</b>	American Republic Insurance Company	✓			
	Assurant	✓	✓		

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STATE	COMPANY	INDIVIDUAL PLAN	SMALL GROUP PLAN	LARGE GROUP PLAN	COMMENTS
<b>West Virginia</b> <i>(continued)</i>	Central Reserve Life Insurance Company	✓	✓	✓	
	Golden Rule Insurance Company		✓		
	Medical Savings Insurance	✓			
<b>Wisconsin</b>	American Medical Security Group	✓			
	American Republic Insurance Company	✓			
	Assurant	✓	✓		
	Central Reserve Life Insurance Company	✓	✓	✓	
	Destiny Health	✓	✓	✓	
	Golden Rule Insurance Company		✓		
<b>Wyoming</b>	Assurant	✓	✓		