

go in his place and appear with the other seven or eight Presidential candidates. My date for that evening was none other than Nancy Reagan. She was so beautiful—she was such a beautiful person. It was such an honor to be able to speak for the President, for the then Governor Reagan. He meant so much to me and I am grateful that the distinguished Senator from Virginia has spoken for all of us on this subject. I hope and pray Mrs. Reagan has everything that will make life worthwhile, even though Ronald Reagan is now gone.

We love both of them. We revere the memories we have of both of them. Of course, we look forward to continuing to meet with Mrs. Reagan as time goes on.

HEALTH SAVINGS ACCOUNTS

Mr. HATCH. Mr. President, last week the President of the United States came to us with an ambitious domestic policy agenda for the next year. There were many noble goals outlined in that speech. But in my opinion, one of the most important and most necessary is his proposal to expand health savings accounts, or HSAs.

There is not a single person in this institution who fails to recognize the ever-growing problem of health care expenses for ordinary Americans. For at least a decade now, this debate has been front and center in American politics. The American people are fed up and are telling us they want solutions to this crisis.

In the last 30 years we have seen true revolutions in the way consumers do business in this country. Informed American consumers are increasingly involved in a direct way in making decisions on issues that affect their lives and that of their families. As an individual:

It is easier to invest today.

And it is easier to bank today.

There is more choice in education. And there are more opportunities in the workplace.

But almost uniquely in the American economy, our health care system is becoming more expensive and more difficult for individuals to make personal choices regarding their care. Because of the current structure of insurance plans, most consumers do not have the information they need with regard to the cost or the quality of health care that they receive. Information is readily available to make a value-driven decision on purchasing a television or a cell phone, but when it comes to health care, the consumer has little basis on which to make a rational quality and cost-based decision. What separates our increasingly complex and expensive health care system from other sectors of our economy that have become more user-friendly in the last 30 years is a lack of adequate information and a lack of direct consumer decision making.

I think that health savings accounts provide an incredible opportunity for

real progress toward health care reform.

Health savings accounts were established in the Medicare Modernization Act of 2003. These accounts allow Americans to save tax-free dollars to pay for their everyday health care expenses on their own terms. At the same time, these accounts are coupled with high-deductible comprehensive insurance policies to cover larger medical bills and also provide specific coverage for preventive care.

This makes sense. HSAs allow individuals to save tax free for everyday medical expenses, while preserving insurance for major health care needs. With HSAs, individuals have unprecedented choice in their health care and are still protected from the high costs of serious illness. The result is predictable. Insurance becomes less expensive if it is used only for major medical expenses, and consumers make value-based choices in their routine medical care.

And, as we all know, the high cost of health insurance is the real problem that we face in providing health care coverage to all Americans. The current low-deductible plans so common in the workplace are increasingly costly for businesses and result in lower wages for workers and reduced employment. More and more small businesses are opting not to offer a health care insurance benefit at all. For the unemployed and/or the uninsured, health insurance premiums are far too expensive.

Health savings accounts are proving themselves to be one important part of the solution to our health care crisis. Americans certainly think so. Since January 2004, over 3 million Americans have enrolled in HSAs.

As innovative and popular as HSAs are proving to be, however, they are far from perfect. By improving and expanding them, health savings accounts could be even more effective in helping us reach our objectives.

I believe we need to create more incentives for employers to offer these plans and for individuals to enroll in them. Incentives can be designed to assure adequate coverage and enrollment of those with chronic illnesses.

The President has made it clear that we need to make these plans fairer and available to a larger number of Americans. Individuals that purchase HSAs on their own should have the same tax advantages as those with employer-sponsored insurance. To achieve this, premiums for HSA-compatible insurance policies should be deductible from income taxes and an income tax credit provided to offset payroll taxes paid on premiums for HSA policies. All taxes on out of pocket spending through HSAs should be eliminated. HSA insurance policies should be portable between employers and across State lines. To allow for better individual healthcare decisions, information on price and quality of healthcare must be transparent and readily available. Acceleration of the implementation of an

integrated health information technology system will be critical to these efforts. The President's budget outlines several proposals designed to improve HSAs and to make them more attractive to employers and employees. The employer community also has developed a set of proposals designed to improve HSAs. The Senate should give serious consideration to all good ideas to make health savings accounts work better.

These are important goals.

Health savings accounts are a good thing for our citizens, and they are a good thing for the economy.

HSAs will make health insurance less expensive in the long run, which is the best thing we can do to tackle the problem of the uninsured in this country.

They will make the health care sector of our economy more user-friendly and more efficient.

They will give workers more choice and more flexibility in their choice of plans and in deciding where they want to work.

In short, they would help to bring our health care system into the new economy.

In 1980, most people in this country had rabbit ears on their televisions and a choice of three channels.

Today, we have the internet. We have cell phones. We have ATMs on every block.

Yet, in some ways, our system of employer-provided health care is a dinosaur. It dates back to a policy decision made to assist employers during World War II and it is not aging well. There are too many Americans without employer-provided health insurance, and those with it are routinely frustrated with the level of customer service.

The Bush administration estimates that under current law, the number of Americans with HSAs will grow to 14 million by 2010. By improving the program, however, we could see this number go as high as 21 million.

As a member of the Finance Committee, I am deeply interested in working with my colleagues to help improve HSAs in the coming months and years. The President's proposal represents a unique opportunity to make health care in this country more equitable, more affordable, and more cost-effective.

I urge my colleagues on both sides of the aisle to join me in these efforts.

I believe we would all be better off if we would do so.

HONORING OUR ARMED FORCES

FIRST LIEUTENANT GARRISON AVERY

Mr. HAGEL. Mr. President, I rise to express my sympathy over the loss of Army 1LT Garrison Avery, from Nebraska. Lieutenant Avery died of wounds he suffered when an improvised explosive device detonated near his military vehicle while on patrol in Baghdad, Iraq on February 1. He was 23 years old.