



Congressman
G.K. BUTTERFIELD
1st District of North Carolina



Contact Information

WASHINGTON, DC
 413 Cannon HOB
 Washington, DC 20515
 (202) 225-3101 Phone
 (202) 225-3354 Fax

NORTH CAROLINA
 Wilson District Office
 216 West Nash Street
 Wilson, NC 27893
 (252) 237-9816 Phone
 (252) 291-0356 Fax

Weldon District Office
 311 West 2nd Street
 Weldon, NC 27890
 (252) 538-4123 Phone
 (252) 538-6516 Fax

Williamston District Office
 415 East Boulevard
 Williamston, NC 27892
 (252) 789-4939 Phone
 (252) 729-8113 Fax

GAO Find Health Savings Accounts

Used by Wealthy,

Not Average Working Americans

The House Oversight and Government Reform Committee this week released a Government Accountability Office (GAO) report finding that Health Savings Accounts (HSAs) are used more often as a tax shelter by wealthy individuals rather than as a means to help working families obtain needed health care.

Specifically, the report finds that instead of being used by low and middle-income Americans who are most likely to be without health insurance, HSAs are increasingly a popular tax shelter option for wealthy taxpayers.

GAO's findings are bolstered by HSA advocates' extreme opposition to legislation passed earlier this month in the House that would require HSA enrollees to substantiate that HSA withdrawals were used for allowable medical expenses. Data from at least one company indicate that HSA funds appear to have been spent on escort services, at casinos and bowling facilities and in other non-health related areas. Flexible Spending Accounts, a different tax-preferred health account with fewer tax breaks than HSAs, require substantiation. In addition, the federal government requires far more onerous verification standards to qualify for Medicaid and for Part D low-income subsidy.

For example, the Part D low-income subsidy, which covers individuals earning less than \$15,600 a year, requires applicants to provide detailed financial information on income and assets. That information is verified against data from the IRS and other federal, state and local records.

The findings of the GAO in this report include:

- The average adjusted gross income was about \$139,000 for Health Savings Accounts enrollees compared to \$57,000 for all other filers.
- The total value of all Health Savings Accounts contributions reported to the IRS in 2005 was about twice that of withdrawals -- \$754 million compared to \$366 million -- suggesting an interest in it more as a shelter than a vehicle to obtain needed health care or to supplement inadequate coverage.
- Significant enrollment growth in Health Savings Account (HSA) plans. Between 2004 and 2007, participation grew from 438,000 to approximately 4.5 million.

In This Week's Issue:

- **GAO Find Health Savings Accounts Used by Wealthy, Not Average Working Americans**
- **National "Cover the Uninsured Week"**
- **Helsinki Commission Hearing on Black Europeans**

National Cover the Uninsured Week

While our nation observes National "Cover the Uninsured Week," we must renew our commitment to expanding health care coverage for our nation's children.

Today, there are nearly 9 million American children without health insurance. As the richest and most powerful country in the world, this is a national disgrace. And, this disturbing statistic would be worse if it were not for the State Children's Health Insurance Program (SCHIP).

SCHIP was established by Congress in 1997 to expand health care coverage for children. It provides matching funds to states to help them provide health care coverage for children living in families that are earning too much to qualify for Medicaid but not enough to afford private insurance. SCHIP has been a successful, cost-effective program. Currently, 6 million children are enrolled in SCHIP.

After SCHIP was created, the number of children without health insurance began to fall every year. However, for the past two years, for the first time since 1998, the number of uninsured children actually increased. This highlights the growing number of families without access to affordable health insurance and the need for Congress to strengthen SCHIP.

Studies demonstrate that it makes an enormous difference to the health of children whether or not they have health care coverage. We know that children who have health insurance are better prepared to learn in school and better equipped to succeed in life.

Last year, the Congress twice passed bipartisan legislation that would have extended and strengthened SCHIP -- providing health care coverage for 10 million children. This legislation would have given states the tools and incentives necessary to reach millions of uninsured children who are eligible, but not enrolled in SCHIP.

Unfortunately, despite the fact that this legislation was supported by 68 Senators, 43 Governors; more than 270 organizations; and, 81 percent of the American people, President Bush vetoed this legislation both times.

I believe that our society has an obligation to protect our children who cannot protect themselves. Congress must continue to fight until legislation providing health care coverage for 10 million children is signed into law -- if not by this President, then by the next. Our children deserve no less.

Helsinki Commission Hearing on Black Europeans

This week the U.S. Helsinki Commission held a hearing focused on the challenges and opportunities experienced by the more than five million black Europeans amidst reported increases in hate crimes and discrimination, anti-immigration and national identity debates, and growing security concerns. Additionally, the hearing examined the impact of anti-discrimination measures as well as diversity initiatives aimed at ensuring and protecting equal rights for a population many do not know exist.

I offered this testimony during the hearing:

Thank you, Mr. Chairman, for holding this very important hearing. As the son of an immigrant from a former British colony, I have been touched by both the colonial and migrant experience. Both issues are of great relevance for this hearing, as they are related to some of the often overlooked roles blacks have played in Europe's development.

My father was from Bermuda, now the oldest self-governing overseas territory in the British Commonwealth. A British colony formed in the 1600s, Bermuda's economy was based on the islands' cedar trees for shipbuilding and the salt trade and sustained by African slave labor. With the slave trade outlawed in Bermuda in 1807, and slaves freed in 1834, today over 60% of Bermudians are of African descent.

A number of Bermudians have migrated to the British mainland. However long before their migration, they and their forebearers assisted in the building of Europe's economy and made countless other contributions to Europe's social fabric.

History is not so different for those in the Caribbean countries of Suriname and Curacao who migrated from their former colonies to the Netherlands; Haiti and Senegal who migrated to France; and the numerous other examples that could be cited with a number of these migration patterns from the Caribbean and Africa continuing until today.

Despite these truths, the ills of slavery and its repercussions have often been a distinction solely reserved for the U.S. and its black population. Recent efforts in the UN and Europe commemorating the 200th Anniversary of the abolition of the transatlantic slave trade have assisted in raising the visibility of and recalling these histories.

The UK constructed a replica of the Amistad, the 19th century ship to retrace a 14,000-mile slave route, including stops in the US, Africa, Caribbean and UK. A BBC website noting the impact colonialism and slavery has had on how Blacks are viewed and perceived in the world has also been erected. Athletic prowess, exoticism and low intelligence were all stereotypes used to justify slavery and colonialism, and still exist today. These stereotypes impact how we are portrayed in the global media, our education and employment opportunities, and why many of our contributions have remained invisible to the world.

To recognize us means challenging European notions of being mono-racial and mono-cultural nations. To recognize us means that far-right parties calling to keep Europe "European" have no grounds, for we are also part of Europe.

Today, we are being recognized. Mr. Chairman, I thank you for this and look forward to hearing from our witnesses on how best we can all work together to promote diverse societies that extend and protect fundamental rights to everyone.

Thank you.

To remove your name from our mailing list, please reply to this message with "UNSUBSCRIBE" in the subject line.