



AMERICANS *for* TAX REFORM

June 22, 2009

The Honorable Jim DeMint
United States Senate
Washington, DC 20510

Dear Senator DeMint:

Congratulations on your introduction of the “Health Care Freedom Act” this week. This will likely be the best free-market alternative to government health care offered this Congress, and I would encourage all senators to co-sponsor this excellent legislation.

The Health Care Freedom Act raises taxes on no one, and cuts taxes for millions of Americans. While leaving all current tax relief related to health insurance alone, it creates a new tax credit for individuals to purchase health insurance on their own. Individuals not covered by an employer, government, or other third party health insurance plan could use an advanceable and refundable tax credit of \$5000 (\$2000 single) to offset health costs. In addition, health savings account (HSA) dollars would be eligible to be used to purchase health insurance premiums.

The Health Care Freedom Act gives all Americans the tools they need to purchase health insurance as empowered consumers with options. Families would be free to purchase health insurance offered in any state, not just the one in which they reside (which they are limited to under current law). States would be block-granted money to create viable insurance options for those with pre-existing conditions. The cost of care will be kept low by putting a hard cap on non-economic damages in medical malpractice lawsuits. Finally, the price of health care services for the first time will be made available to any patient wanting to shop around for the best care.

The Health Care Freedom Act represents a bold new vision of free market health reform. It would ensure 22.5 million Americans who currently lack insurance. Its tax cuts are fully-offset with spending restraint, so it won't create new government debt.

For the first time, free market conservatives have a bill they can proudly say they are for when fighting against government medicine this year.

Sincerely,

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