

**FOR IMMEDIATE RELEASE**  
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**\*\*FACT SHEET INCLUDED\*\***

**STATEMENT BY SENATOR EDWARD M. KENNEDY ON PRESIDENT BUSH'S HEALTH CARE PROPOSAL**

Washington, D.C. – Today, Senator Edward M. Kennedy released the following statement, also included is a fact sheet on the President's health care proposal:

“I welcome the President's call to make health care a priority for Congress. But to solve the health care crisis, we need not just action - but the right action. The President's proposals are an opportunity missed. They will not improve access to good coverage, and won't help working families afford the spiraling cost of health care. They will do little to improve the quality of health care. Republicans and Democrats alike should come together to build on the lessons from the states to see that all Americans have quality, affordable health care.”

**The Health Care Crisis**

Health care in America is in crisis. Over the last six years, the cost of health insurance premiums has soared 87 percent, while wages have grown only 20 percent. Over the same period, the number of Americans without health insurance has increased by over 6 million, and millions more worry that their existing coverage is inadequate to meet their medical needs.

Bold action is needed to address the crisis, and states have begun to answer that call. Massachusetts, California, Pennsylvania, and other states have all proposed major health reforms designed to make coverage more affordable and more accessible. Serious reform is needed at the national level to see that every American has quality, affordable health care, just as the President and members of Congress receive now. Presidential leadership is important, but we must make sure that the reforms we undertake are the right course.

**The President's Proposal**

Health benefits are not currently taxed. President Bush's proposal would tax health benefits for the very first time. At the same time, the President proposes creating a new tax deduction for health benefits. This would be set at \$15,000 a year for a family policy, and \$7,500 for an individual.

This policy would immediately impose a new tax on nearly 7.5 million Americans who now have good employer-sponsored coverage. It penalizes workers with good health care – many of whom are middle or lower income -- and creates a disincentive for employers to provide comprehensive coverage, particularly those whose employees are older or sicker. The tax deduction that the President has proposed would disproportionately benefit upper-income Americans, since its value increases for those in higher tax brackets. It taxes middle class Americans to benefit the wealthiest.

The President's proposal also does nothing to improve access to health coverage for those who cannot obtain it now, either because their employer does not offer it or because they cannot obtain policies on the individual market due to a history of illness. Placing the entire burden of health care on individuals and working families is no solution to the crisis. Real reform involves a shared responsibility among individuals, government and business.

**The Bottom Line:** Presidential leadership on health care is crucial to addressing the major problems

the American people face in affording quality health care. While the Administration's current proposal is deeply flawed, the attention that the President is devoting to the issue could signal real progress in addressing the health care crisis.