

The work that we did was largely honorific, but there was a brief moment when some of us thought that the actual results of an assay were under-weight—which mint officials regarded as calamitous, and of sufficient importance to re-weigh the parcel in question. (It passed the test, and as was the case in most years, pro forma resolutions prepared by mint staff were signed by all of the commissioners). But that does not say that the description of the work done by the Assay Commission remains irrelevant. To the contrary, unlike 1974 which examined the nonprecious metal coinage of 1973, today there are silver, gold and platinum bullion coins, and numerous commemorative coins, and related items that circulate the world-over.

There is accountability within the Mint, but at present, the Mint's primary accountability is to Congress, and to the coinage subcommittee in the House, and the larger Senate Banking Committee on the other side of Capitol Hill. If there is a problem, it remains largely unknown to the public at large, except in case of acute embarrassment.

In April, 1987 for example, the U.S. mint was accused of having grossly underweight fractional gold coins—a move that nearly scuttled the entire effort of the program to market into the Far East. The Assay Commission having been abolished in 1980, there was no voice of authoritative reassurance, for the mint denied that there was even a problem—when it was clear that the fractionals had not been properly assayed and were lightweight in their gold content.

Abolition of the Assay Commission came in two stages. In 1977, President Jimmy Carter declined to name any public members to the Commission, ending a practice of more than 117 years duration. The F.T. Davis, director of the General Government Division of the President's Reorganization Project, got into the act. "We are conducting an organizational study of the Annual Assay Commission," he wrote me on Sept. 6, 1977. "The study will focus on possible alternative methods of carrying out the functions of the Commission."

I prepared a memorandum for Davis at his request, answering several specific questions, careful to take no position on its continued validity. Earlier in the year, in a major law review article proposing a "Revision of the Minting & Coinage Laws of the United States" which was published in the *Cleveland Law Review*, I had essentially concluded that it was a political choice to decide whether or not to continue the two-century old commission. Davis asked if the mission of the Assay Commission was essential. I replied "More aptly, the question is whether or not assaying of coins is essential. The answer is an unqualified yes to that." Indeed, the Mint regularly conducts assays of its coin product as a means of assuring quality. (The 1987 foul-up was an administrative problem; the gold coins were assayed and came up short, but a decision was made to circulate them, anyway). Davis also asked what the function of the Commission should be in the succeeding two years if it was continued. I suggested that the law be "rewritten to provide for compositional analysis of all subsidiary coinage plus the dollar coin".

The die was already cast, however, and the Carter Administration (having already declined to name public members) simply let the Assay Commission wither away until, in 1980, it expired with the passage of Public Law 96-209 (March 14, 1980). The irony is that only a short time later, the Mint was once again producing precious metal coinage.

As the new millennium is on the verge of commencement, a movement initiated by former commissioners (most of whom are

members of the Old Time Assay Commissioner's Society, OTACS for short), has talked about proposing revitalization of this old commission. There are reasons why it could succeed, and some why it should.

There are a number of reasons why the Assay Commission ought to be reconstituted, and any proposal to do so will require a legislative initiative in Congress. Toward that goal, I was asked by an ad hoc advocacy group to try my hand at it.

If you've got an interest in the Assay Commission, perhaps you'd care to send a note to your Congressman or Senator (U.S. Capitol, Washington, D.C. zip for the House 20515, Senate 20510) with a copy of this article, and the draft legislation. You can encourage them to do the rest.

TAX CREDITS FOR THE UNINSURED DON'T WORK UNLESS YOU HAVE INSURANCE MARKET REFORMS: CREDITS HELP THE YOUNG, DO LITTLE FOR OLDER WORKERS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 2000

Mr. STARK. Mr. Speaker, a lot of Members are talking about refundable and non-refundable tax credits to help the uninsured.

Their bills don't work, unless they accompany the proposals with insurance reforms and make the tax credit adequate to help the uninsured who are, overwhelmingly, the nation's poor and near-poor.

On January 27th, a number of Members announced their intention to introduce a bill to provide a refundable tax credit of \$1,000 per individual and \$2,000 per couple for use in the purchase of health insurance. It does not appear their bills will include insurance reform.

As the attached tables show, that would be nice for a 25 year old individual or couple without children, and might help some 35 year olds, but after that, these tax credits mean less and less for people who are uninsured and middle aged.

The credits would also have a tremendously different impact depending on where one lived. In the Los Angeles market, they would cover most of the cost of a younger person, but a much smaller percentage in Northern Virginia.

The reason most people are uninsured is that they are low-income, working poor, who have to choose between keeping the car running so they can get to work, versus health insurance which they might need, but God willing, won't absolutely need. Unless the subsidy for the insurance is very high, individuals facing the need for food, fuel, and clothes for themselves and their kids will not buy health insurance. That's why these tax credit schemes will not work unless we cover almost all of the cost of a decent policy in an area.

Second, the use of health insurance rises as one ages. That's why insurance for older workers is, of course, more costly. If the credit doesn't keep pace with that fact, or unless we move to community rated insurance reforms, the credits will not help people when they are most likely to need help.

The Jeffords-Breaux proposal fails to do that, except for the very youngest in the very safest types of jobs.

WHAT DOES PRIVATE HEALTH INSURANCE COST?

I asked my staff to conduct a brief study using health insurance quotes from the Internet. The results prove why tax credits without insurance reform are a waste of time. I urge Members interested in the tax credit approach to consider the types of reforms included in H.R. 2185.

INTERNET SAMPLING OF HEALTH INSURANCE POLICY

On average the American family is estimated to pay \$5,700 for health insurance premiums, a large share of the income that is needed to maintain the family household. In general, a tax credit of only \$2,000 will not be able to cover the costs that a poor family will need to provide affordable health care insurance. The survey conducted shows that both of the tax credits, one for individuals and one for families, falls short of eliminating the need for guaranteed health coverage for the poor.

In more than 90% of the survey, we found that the tax credits would still leave each near poor individual or family with a large balance left to pay. In Fairfax County a 25 year old couple with 2 children after a \$2,000 credit is still left with a \$1,400 bill to pay, while in Alachua County (Gainesville) Florida the bill is almost \$2,000. Even in rural Colfax, Nebraska within the same age bracket, there is still a balance that needs to be met. Couples without children face the same problem in that the range of balances run from full coverage for a 25 year old Nebraska couple to an almost \$500 balance for the same 25 year old couple in Alachua County, Florida. For a single, 25 year old male living in either Rural Nebraska or Fairfax, Virginia, the \$1,000 credit will cover his health coverage in full. However, for men over the age of 35 and women of all ages (in all four counties examined in this survey) the individual tax credit leaves a range of balances from \$32 (25 year old female in California) to \$3,570 (60 year old female in Florida).

As you get older, the price of health coverage steadily increases. For example in Los Angeles, Calif. the yearly premium rates that have been quoted for a 35 year old single man have nearly doubled once the individual has reached the age of 60 (\$1,284 versus \$2,184 per year). In the three remaining counties, yearly rates have tripled on average from \$1,300 to \$3,700 from age 35 to 60, respectively.

In only six out of 120 scenarios mapped out (30 quotes for each state) did this proposed tax credit eliminate the burden of health costs. That means only 5% of the time did the tax credit insure a poor individual or family. Given this data, then these proposed tax credits will only guarantee help to 2.2 million of the 44 million uninsured Americans, not the 21.9 million that is being estimated by the drafters of this bill.

This survey was conducted using an Internet access program called Quotesmith.com. Quotesmith generated quotes for health insurance rates based upon the type of individual or family entered. This survey looked at how much standard health coverage would cost for individuals, couples, couples with children, and retired persons around the country. The criterion for the health insurance premium was a \$250+nearest deductible and any policy that pays 80% or more after the deductible has been met. Note these are quotes off the Internet. They are not actual purchases of policies, and do not reflect any increases in rates caused by medical underwriting. In many cases we can expect that the final quote will be higher.

Premiums were studied for individuals who lived in Fairfax County, Virginia; Alachua County, Florida; Los Angeles County, California; and rural Colfax County, Nebraska.

The occupations were that of a pilot, architect and retired person, while the ages of the individuals ranged from 25 to 60 years of age.

As stated earlier a \$1000 tax credit for an older individual is simply not enough. There is no way that such a working poor individual can come close to affording private, individual health insurance, without having to decide whether to forgo basic needs.

The \$2,000 tax credit that this bill is proposing for families is even more unrealistic.

In not one instance does this credit eliminate the problem of cost. The lowest rate for a family with two children is \$205 per month, while the tax credit offers only \$167 per month leaving a gap of about \$38 per month.

What also becomes very apparent is the fact that as one gets older the premium rates are rising. Therefore, a single 25 year old male can expect to spend about \$100 a month on health insurance, whereas a 60 year old

man can expect to pay about \$250 a month or \$3000 a year for his insurance! Once again how can a tax credit of only \$1000 provide any relief for the near poor?

MEDICAL INSURANCE RATES

The following medical insurance rates are based upon: \$250 plus nearest deductible. After deductible, policy pays 80% or better.

The lowest rates available:

Age	Architect male single (month/ yearly)	Pilot female single (month/ yearly)	Architect male couple (monthly/year- ly)	Pilot female couple w/2 kids (month/ yearly)	Retired male non-smoker (month/yearly)	Retired male smoker (month/yearly)
FAIRFAX, VIRGINIA						
25	\$79/\$948	\$174/\$2,088	\$95/\$1,140	\$280/\$3,360	\$79/\$948	\$102/\$1,224
35	100/1,200	224/2,688	140/1,680	330/3,960	100/1,200	136/1,632
45	139/1,668	294/3,528	174/2,088	400/4,800	139/1,668	195/2,340
55	222/2,664	422/5,064	219/2,628	528/6,336	175/2,100	310/3,720
60	270/3,240	489/5,868	242/2,904	595/7,140	270/3,240	378/4,536
LOS ANGELES, CALIFORNIA						
25	82/1,032	174/2,088	86/1,104	269/3,228	86/1,104	86/1,104
35	107/1,284	204/2,448	107/1,284	335/4,020	107/1,284	107/1,284
45	131/1,572	255/3,060	131/1,572	384/4,608	131/1,572	131/1,572
55	161/1,932	299/3,588	161/1,932	416/4,992	161/1,932	161/1,932
60	182/2,184	338/4,056	182/2,184	437/5,244	182/2,184	182/2,184
COLFAX, NEBRASKA						
25	68/816	137/1,644	91/1,092	205/2,460	68/816	78/936
35	95/1,140	177/2,124	118/1,416	251/3,012	95/1,140	104/1,248
45	140/1,680	243/2,916	150/1,800	317/3,804	142/1,704	156/1,872
55	211/2,532	346/4,152	196/2,352	427/5,124	223/2,676	249/2,988
60	273/3,276	452/5,424	251/3,012	569/6,828	273/3,276	313/3,756
ALACHUA, FLORIDA						
25	97/1,164	207/2,484	130/1,560	331/3,972	97/1,164	105/1,260
35	130/1,560	276/3,312	162/1,944	408/4,896	130/1,560	131/1,572
45	192/2,304	390/4,680	214/2,568	521/6,252	192/2,304	192/2,304
55	307/3,684	597/7,164	299/3,588	701/8,412	307/3,684	307/3,684
60	381/4,572	697/8,364	346/4,152	829/9,948	381/4,572	388/4,656