PHIT - Personal Health Investment Today

AMERICA NEEDS PHIT TO REVERSE OBESITY TREND AND REDUCE HEALTH CARE COSTS:

It is no coincidence that the incidence of costly chronic illnesses has paralleled the rise in overweight and obesity among Americans over the past 40 years. The increasingly sedentary lifestyles of Americans have resulted in annual double digit increases in health care costs for U.S. businesses and the federal government. Much of the increased cost is due to chronic illnesses, as 20 percent of non-elderly Americans account for 80 percent of our nation's non-elderly health care spending.

Originally introduced in 2006 and reintroduced in the new Congress on January 5, 2007, The Personal Health Investment Today Act or "PHIT" bill would provide a way to ease the financial burden of being more physically active through the use of existing pre-tax medical accounts.

An October 2005 GAO report (GAO 06 127R) surveyed experts in academia and the private sector working in the fields of physical activity, nutrition and childhood obesity and government officials at the federal, state and local levels; these experts identified physical activity as the best solution to childhood obesity. The Department of Health and Human Services sees physical activity as critical to reversing the rise in chronic illness in America:

“Millions of Americans suffer from chronic illnesses that can be prevented or improved through regular physical activity” Physical Activity Fundamental to Preventing Disease – June 2002

HOW PHIT WORKS:

PHIT would change current federal tax law to allow for the use of pre-tax dollars to cover expenses related to organized individual and team sports, fitness and exercise, recreation and other physical activities. Americans could invest up to $1,000 annually to pay for these activities by placing money in existing pre-tax Flexible Spending Accounts (FSA), Health Savings Accounts (HSA), Medical Savings Accounts (MSA), and/or medical reimbursement arrangements. PHIT would not increase the contribution limits for pre-tax accounts, it would only expand the list of eligible expenses.

PHIT BENEFITS:

Under the current set-up Americans predominantly use pre-tax accounts to pay for treatment and detection of illnesses: prescription drugs, doctor visits, examinations and screenings. PHIT would broaden the focus of these existing accounts to include prevention in the form of increased physical activity. Increased activity would reduce the incidence of obesity and its related chronic illnesses which account for a disproportionate share of America's health care spending. Depending on the consumer's individual income tax bracket, PHIT would save most Americans 25-45 percent on the costs of physical activities, exercise programs and related expenses, including equipment.

WHY PHIT MATTERS:

According to the Centers for Disease Control:

- 64 percent of American Adults are Overweight or Obese (32 percent obese)
- 34 percent of American Children are Overweight or Obese (17 percent obese)
- Over 50 percent of American adults do not get the recommended amount of physical activity
- Health Care outlays will be $4,000,000,000,000 (trillion) by 2015 (20 percent of GDP)
- Regular physical activity significantly reduces the risk and symptoms of chronic diseases and medical conditions resulting in fewer hospitalizations, doctor visits and medications

U.S Surgeon General

- “The fastest-growing cause of illness and death in America today is obesity. If we don’t do something about this, especially among our children, we will be a morbidly obese dysfunctional population…”