



July 11, 2018

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
United States House
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
United States House
Washington, DC 20515

Re: "Lowering Costs and Expanding Access to Health Care through Consumer-Directed Health Plans"

Dear Chairman Brady and Ranking Member Neal:

The National Coalition on Benefits ("NCB") is dedicated to preserving the benefits of over 175 million Americans who receive health insurance through employers. The coalition is comprised of major employer trade associations, representing large and small employers. NCB also includes many large employers with employees and retirees in all 50 states. We appreciate the opportunity to provide feedback to the Committee as it considers innovative policies to improve Health Savings Accounts ("HSAs") by expanding access and increasing benefit flexibility. We also support the Committee's efforts to help relieve employers from the Cadillac tax and continue to call for its full repeal.

NCB understands the importance of having a qualified, productive, and engaged workforce. NCB members support policies that help employees lead healthier lives and make wise and informed choices when using health care services. We applaud the Committee's consideration of several pieces of bipartisan legislation involving HSAs and other provisions that seek to enhance the value of employer-provided benefits for employees.

Since the creation of HSAs over 15 years ago, employers and employees have been empowered with greater control over managing their healthcare needs, but legislative changes are needed to modernize this tool to lower health care spending and allow employees and their families greater access to services prior to the deductible.

As a critical first step in providing the HSA benefit with increased benefit flexibility, NCB supports the Bipartisan HSA Improvement Act which will give employers more flexibility in HSA-based plan design and allow HSAs to take full advantage of cost-saving innovations. There are other important changes in several of the bills before the Committee that we believe modernize and improve plan benefits for our employees and their families.

The Committee markup of several bills addresses many of the same issues raised by the Bipartisan HSA Improvement Act. We commend the overall focus on HSAs, which have not been modernized since 2003.

We recognize that financial pressures have put limits on several of the bills. We appreciate the limited flexibility in permitting \$250 of first dollar coverage for innovative services and \$500 for qualified sport and fitness expenses. We support the legislation to allow those contributing to an HSA to also enroll in a direct primary care arrangement. Furthermore, we applaud allowing an HSA holder to make contributions even if his or her spouse has a Flexible Spending Account (FSA) and provide for conversions of FSAs and Health Reimbursement Arrangements (HRAs) to HSAs.

Employers are continually striving to provide employees with access to benefits that offer innovative healthcare services, like telehealth, chronic care management, and onsite and near-site health centers. But access to these services is complicated by existing laws that restrict HSA usage.

As the Committee continues its work, we urge it to approve provisions that would expand the value of HSAs. For example, entire families would benefit by permitting HSAs to reimburse medical expenses of non-dependent adult children covered under the account holder's health plan. Additionally, consideration should be given to providing greater flexibility for chronic disease reimbursement with HSAs. In addition, changes should be made to provide full use of HSAs in all licensed retail and onsite clinics. These measures, like other provisions included in the Committee's markup, would help employees and their families save money long-term and give them maximum flexibility to cover their healthcare needs.

NCB is committed to offering benefits that help empower employees by giving them tools and resources to lead healthier lives. We appreciate the opportunity to be part of this important discussion and are happy to provide any additional information to your staff.

Sincerely,

The National Coalition on Benefits