

Smarter Health Care Coalition

November 28, 2023

Senate Majority Leader Chuck Schumer
322 Hart Senate Office Building
Washington, D.C. 20510

Senate Minority Leader Mitch McConnell
317 Russell Senate Office Building
Washington, DC 20510

House Speaker Mike Johnson
568 Cannon House Office Building
Washington, DC 20515

House Minority Leader Hakeem Jeffries
2433 Rayburn House Office Building
Washington, DC 20515

Dear Senate Majority Leader Schumer, Senate Minority Leader McConnell, House Speaker Johnson, and House Minority Leader Jeffries:

On behalf of the Smarter Health Care Coalition (the Coalition), we are writing to express strong support for the passage of the *Chronic Disease Flexible Coverage Act*. Senators Thune and Carper recently introduced [S. 3224](#), the Senate companion to [H.R. 3800](#), which was reported out of the House Ways and Means Committee by a strong bipartisan vote, including support from both the Chairman and Ranking Member. This is an important step forward in helping Americans with chronic conditions afford care and we urge Congress to enact the bill this year. The Coalition represents a broad-based, diverse group of health care stakeholders, including consumer groups, patients, employers, health plans, life science companies, provider organizations, and academic centers.

A key area of focus for the Coalition is ensuring patients have access to high-value health care – and we have been pleased with recent progress, especially regarding increased flexibility for employers and health plans to offer more chronic disease prevention pre-deductible. As the Coalition predicted, many employers and health plans changed their plan designs to remove cost-sharing for high-value drugs and services that treat chronic conditions after being granted additional flexibility via Internal Revenue Service Notice 2019-45¹. Unfortunately, legal barriers continue to inhibit employers and health plans from offering even more high-value drugs and services pre-deductible.

Thankfully, the bipartisan *Chronic Disease Flexible Coverage Act*, introduced as H.R. 3800 by Representatives Wenstrup and Blumenauer and S. 3224 by Senators Thune and Carper, would codify this guidance and ensure that Health Savings Account-eligible plans can provide such care without making enrollees ineligible to participate in HSAs. Importantly, the Joint Committee on

¹ <https://www.irs.gov/pub/irs-drop/n-19-45.pdf>

Taxation noted this legislation does not impact federal spending². A few statistics illustrate how helpful and well-received Notice 2019-45 has been:

- An AHIP and Smarter Health Care Coalition survey from 2021 found that 75% of health insurance plans responding covered additional services pre-deductible in their fully insured products and 80% of plans covered additional services pre-deductible in their self-insured products, with a negligible impact on premiums.³
- An Employee Benefit Research Institute (EBRI) survey from 2021 of employers found three in four responding employers (76%) added pre-deductible coverage as a result of IRS Notice 2019-45. Pre-deductible coverage was often added for health care services related to heart disease and diabetes care, for example. Two-thirds added pre-deductible coverage for blood pressure monitors and insulin/glucose lowering agents, 61% added coverage for glucometers, and 54% added coverage for beta blockers. **Importantly, the vast majority of employers said they would add pre-deductible coverage for additional health care services if allowed by law.**

Enactment of the *Chronic Disease Flexible Coverage Act* will be helpful for millions of Americans with chronic conditions that are enrolled in Health Savings Account-eligible plans. Additionally, given the overwhelmingly positive response from health plans and employers, the Coalition will continue working with Congress and the Administration to ensure additional high-value items and services may be provided pre-deductible.

The Smarter Health Care Coalition greatly appreciates your leadership to make it easier for the 6 out of 10 Americans with chronic conditions to access the care they need to stay healthy. We stand ready to work with you to advance this important legislation.

Sincerely,

Andrew MacPherson, Ray Quintero, and Katy Spangler
Co-Directors, Smarter Health Care Coalition

CC:

Chairman Ron Wyden
Ranking Member Mike Crapo
Chairman Jason Smith
Ranking Member Richard Neal
Senator John Thune
Senator Tom Carper
Representative Brad Wenstrup
Representative Earl Blumenauer

² <https://www.jct.gov/getattachment/3f36cafe-cbb3-42bd-8dec-e1e11595632b/x-13-23.pdf>

³ https://www.ahip.org/wp-content/uploads/202109-AHIP_HDHP-Survey-v03.pdf