

Smarter Health Care Coalition

July 26, 2023

Chairman Ron Wyden
221 Dirksen Senate Office Building
Washington, DC 20510

Ranking Member Mike Crapo
239 Dirksen Senate Office Building
Washington, DC 20510

The Honorable John Thune
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Tom Carper
513 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Wyden, Ranking Member Crapo, and Senators Thune and Carper:

On behalf of the Smarter Health Care Coalition (the Coalition), we write to express strong support for the amendment advancing the *Chronic Disease Management Act* filed in the Senate Finance Committee and urge unanimous adoption. The Coalition represents a broad-based, diverse group of health care stakeholders, including consumer groups, employers, health plans, life science companies, provider organizations, and academic centers. We commend you on your leadership in championing this critical legislation and we urge Congress to pass it this year.

A key area of focus for the Coalition is ensuring patients have access to high-value health care. Based on research conducted over several decades, many employers and health plans have changed their plan designs to remove cost-sharing for high-value drugs and services that treat chronic conditions. Unfortunately, legal barriers continue to inhibit employers and health plans from offering some of these value-based plan designs. Specifically, Health Savings Account (HSA)-eligible plans have limited ability to offer services and medications to manage chronic conditions on a pre-deductible basis. The amendment filed in the Senate Finance Committee this week will help address this problem by granting health plans and employers more flexibility to vary their benefit designs and offer certain high-value care pre-deductible.

Notice 2019-45, issued by the Internal Revenue Service¹, was a critical step to grant more flexibility to employers and health plans to offer certain chronic disease prevention pre-deductible. The *Chronic Disease Management Act* would allow even more services and drugs that prevent chronic disease to be covered pre-deductible. 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

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

products and 80% of plans covered additional services pre-deductible in their self-insured products, with a negligible impact on premiums.²

- 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 Management Act or legislation similar to the Chronic Disease Flexible Coverage Act will be a helpful step forward; and, 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:
Senate Finance Committee Members

² https://www.ahip.org/wp-content/uploads/202109-AHIP_HDHP-Survey-v03.pdf