



## **FOR IMMEDIATE RELEASE**

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### **MEDIA CONTACT:**

Andrew MacPherson  
(202) 909-2870

### **Smarter Health Care Coalition Applauds White House for Move to Help Chronically Ill Access Needed Care**

**Washington, DC** – Today, the Smarter Health Coalition applauded the release of an alleged draft Executive Order that includes a critically important provision directing the Commissioner of the Internal Revenue Service (IRS) to expand the preventive care safe harbor under Section 223(c)(2)(C) of the Internal Revenue Code to include services and benefits, including medications, related to the management of chronic diseases. The Smarter Health Care Coalition strongly supports this policy and urges the President to move forward with its inclusion in any final Executive Order.

“Today, millions of individuals with chronic conditions enrolled in Health Savings Account-eligible high-deductible health plans face significant challenges in accessing essential services and drugs to keep them healthy, and the federal government prevents employers and health plans from increasing access to this essential care for patients,” said Smarter Health Care Coalition Co-Director Andrew MacPherson. “This common sense, bipartisan policy will ensure that the federal government does not stand in the way of individuals with chronic illnesses accessing needed care.”

This issue enjoys bipartisan, bicameral support from congressional leaders. In 2016, Representatives Diane Black and Earl Blumenauer introduced the *Access to Better Care Act* which would allow Health Savings Account-High Deductible Health Plans (HSA-HDHPs) to provide patients access to chronic care management services and medications on a pre-deductible basis. Additionally, last year Senators Thomas R. Carper and John Thune sent a letter to the Secretary of the Treasury as well as the Commissioner of the IRS urging the modernization of the preventive care safe harbor to ensure that patients “have full access to adequate preventive care and chronic care management services.”

Approximately half of all Americans have at least one chronic condition and millions struggle to receive the appropriate care due to onerous cost burdens. Studies show that chronic conditions account for \$.86 for every dollar spent on health care and, without appropriate management, lead to adverse effects on quality of life. As such, the management of chronic conditions and the prevention of further complications is not only essential to improving health, but will ensure a more rational and sustainable health care system.

Yet, certain health benefit arrangements face regulatory barriers to ensure patients have access to critical, high-value care. Specifically, when an HSA is paired with an HDHP, these plans are generally

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prohibited from offering services and medications to manage chronic conditions on a pre-deductible basis. This problem is exacerbated by the fact that the HSA-HDHP marketplace is expanding rapidly. Studies show that the percentage of employees working for employers offering HSAs grew tenfold – from 2 percent in 2005 to nearly 22 percent in 2012;<sup>1</sup> and, the use of HSAs themselves increased by 29 percent between 2013 and 2014 with nearly 14 million HSAs opened by the end of 2014.<sup>2</sup>

The Coalition strongly encourages the White House to include this critical policy in any final Executive Order to ensure patients with chronic illnesses can access high-value health care services and medications that ensure optimal health and well-being.

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**The Smarter Health Care Coalition** represents a broad-based and diverse group of health care innovators, including health plans, life science companies, employer groups, provider-related organizations, trade associations, academia centers and professors, foundations, and consumer groups. Our goal is to leverage our combined perspectives and experiences to achieve smarter health care that improves the patient experience, particularly through integrating benefit design innovations and consumer/patient engagement within broader delivery system reform in order to better align coverage, quality, and value-based payment goals.

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<sup>1</sup> Lorens A. Helmchen et al., Health Savings Accounts: Growth Concentrated Among High-Income Households and Large Employers. Health Affairs, 2015. Available at <http://content.healthaffairs.org/content/34/9/1594.full.html>.

<sup>2</sup> 2015 Midyear HSA Market Statistics & Trends. Devenir Research. Available at: <http://www.devenir.com/devenirWP/wp-content/uploads/2015-MidyearDevenir-HSA-Market-Research-Report-Executive-Summary.pdf>.