

Smarter Health Care Coalition

June 25, 2019

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

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

The Honorable Earl Blumenauer
1111 Longworth House Office Building
Washington, DC 20515

The Honorable Tom Reed
2263 Rayburn House Office Building
Washington, DC 20515

Dear Congressmen,

On behalf of the Smarter Health Care Coalition (the Coalition) and the undersigned organizations, we are writing to applaud the introduction of the *Chronic Disease Management Act of 2019*. 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. The Coalition is squarely focused on achieving “smarter health care” by removing barriers to clinically-nuanced health care services and medications. Our goal is to better align health care spending with value, improve the patient experience, and lower health care costs by supporting innovative benefit design that encourages the use of high-value care, and discourages the use of low-value care.

As such, the Coalition supports your legislation, which would help patients with chronic illness access high-value health care services and medications that ensure optimal health and well-being. As you know, 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 \$.90 of 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 would 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 a health savings account (HSA) is paired with a high deductible health plan (HDHP), these plans are generally 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 the

percentage of employers offering HDHPs grew by 25 percent between 2005 and 2018, and the percentage of employees covered by HDHPs over the same period grew by 25 percent.¹ Additionally, the Kaiser Family Foundation's 2018 Employer Health Benefits Survey shows the average annual deductibles for all plan types have increased 212 percent since 2008.¹

The legislation addresses this problem by allowing HSA-eligible HDHPs to provide access to health care services and medications that manage chronic conditions on a pre-deductible basis. Simultaneously, the Coalition continues to work with the Administration by encouraging the Department of the Treasury to utilize existing authority to include chronic disease management as part of the preventive care definition, which would make it possible for employers and health plans to decrease out-of-pocket spending for millions of Americans with chronic conditions.

Enacting this legislation or updating existing guidance would yield enormous benefits to consumers, employers, and payers alike including better health, enhanced workplace productivity, and the avoidance of unnecessary emergency care visits and hospitalizations to the benefit of patients and our health care system overall. Thank you for introducing this important legislation and we look forward to working with you.

Sincerely,

America's Health Insurance Plans
American Benefits Council
American Osteopathic Association
Amgen
Blue Cross Blue Shield Association
Eli Lilly
Families USA
Juvenile Diabetes Research Foundation
Merck
National Coalition on Health Care
Patient-Centered Primary Care Collaborative
Public Sector Health Care Roundtable
Sanofi
University of Michigan V-BID Center
U.S. Chamber of Commerce

¹ Kaiser Family Foundation, 2018 Employer Health Benefits Survey, September 2018, available at, <https://www.kff.org/report-section/2018-employer-health-benefits-survey-section-8-high-deductible-health-plans-with-savings-option/>