

Smarter Health Care Coalition

June 6, 2023

Chairman Jason Smith
Committee on Ways & Means
U.S. House of Representatives
2418 Rayburn House Office Building
Washington, DC 20515

Ranking Member Richard Neal
Committee on Ways & Means
U.S. House of Representatives
372 Cannon House Office Building
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal:

On behalf of the Smarter Health Care Coalition (the Coalition), we write to express strong support for the passage of the *Chronic Disease Flexible Coverage Act (H.R. 3800)*. 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 appreciates the long-standing leadership of Representatives Wenstrup and Blumenauer for championing this important legislation that will ensure flexibility for employers and health plans to offer certain chronic disease prevention drugs and services pre-deductible.

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 legislation the Ways and Means Committee is considering 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 Flexible Coverage Act* codifies the flexibility included in Notice 2019-45 and ensures the Secretary may allow additional chronic disease prevention drugs and services 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.**

Codification of Notice 2019-45 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. There is certainly more work to be done but we stand ready to work with your Committee and Congress to advance this important legislation and we urge members to vote “yes”.

Sincerely,

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

CC:
Representative Brad Wenstrup
Representative Earl Blumenauer
All members of the Ways and Means Committee

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