



July 19, 2017

The Honorable Donald J. Trump
The White House
1600 Pennsylvania Avenue
Washington, DC 20050

Re: Draft Executive Order Reducing the Cost of Medical Products and Enhancing American Biomedical Innovation

Dear President Trump:

The Smarter Health Care Coalition would like to applaud the White House for including a provision in a draft Executive Order that calls for the expansion of 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 you, Mr. President, to move forward with its inclusion in any final Executive Order.

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.

This issue of expanding the preventive care safe harbor 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 John Thune and Thomas R. Carper 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

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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 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;¹ and, the use of HSAs themselves increased by 29 percent between 2013 and 2014 with nearly 14 million HSAs opened by the end of 2014.²

The Smarter Health Care 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.

Sincerely,



Andrew MacPherson
Co-Chair



Ray Quintero
Co-Chair

American Benefits Council

America's Health Insurance Plans

American Heart Association

Blue Cross Blue Shield Association

Mark Fendrick, MD, University of Michigan Center for Value-Based Insurance Design

National Coalition on Health Care

Public Sector HealthCare Roundtable

U.S. Chamber of Commerce

C: The Honorable John Koskinen, Commissioner of the Internal Revenue Service

¹ 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>.

² 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>.