To amend the Internal Revenue Code of 1986 to permit high deductible health plans to provide chronic disease prevention services to plan enrollees prior to satisfying their plan deductible.

IN THE SENATE OF THE UNITED STATES

Mr. THUNE (for himself and Mr. CARPER) introduced the following bill; which was read twice and referred to the Committee on __________________

A BILL

To amend the Internal Revenue Code of 1986 to permit high deductible health plans to provide chronic disease prevention services to plan enrollees prior to satisfying their plan deductible.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the “Chronic Disease Management Act of 2018”.

(b) FINDINGS.—Congress finds the following:
(1) A small number of chronic diseases account for the majority of health care spending in the United States.

(2) Limited and targeted interventions for many chronic diseases prevent the need for additional, more costly therapies associated with untreated or unmanaged chronic diseases that lead to adverse effects on quality of life for patients.

(3) These types of chronic care preventive services should be encouraged to maximize the effectiveness and positive outcomes of the care provided under high deductible health plans.

(4) Section 223(c)(2)(C) of the Internal Revenue Code of 1986 explicitly grants the Secretary of the Treasury flexibility in defining the scope of preventive care for purposes of the preventive care safe harbor. As of the date of introduction of this Act, the Secretary of the Treasury has refrained from exercising existing authority under such section to expand the preventive care safe harbor to include chronic disease prevention.

(5) In the absence of an expansion of the preventive care safe harbor by the Secretary of the Treasury, the Chronic Disease Management Act of 2018 would expressly permit high-deductible health
plans to provide chronic disease prevention and treatment, subject to certain limitations, prior to a plan enrollee having met their plan deductible.

(6) Allowing health savings account-eligible high-deductible health plans to cover chronic disease prevention and treatment on a pre-deductible basis promotes the concept of Value-Based Insurance Design, which is an effective tool to improve the quality and reduce the cost of care for Americans with chronic diseases, with improved outcomes via increased medication adherence, reduced complications, and decreased emergency department visits.

SEC. 2. CHRONIC DISEASE PREVENTION.

(a) In General.—Section 223(e)(2) of the Internal Revenue Code of 1986 is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

“(D) Safe harbor for absence of deductible for care related to chronic conditions.—A plan shall not fail to be treated as a high deductible health plan by reason of failing to have a deductible for care and prescription medications related to the treatment of medically complex chronic conditions which—
“(i) are substantially disabling or life
threatening,
“(ii) have a high risk of hospitalization
or other significant adverse health
outcomes, and
“(iii) require specialized delivery sys-
tems across domains of care.”.

(b) EFFECTIVE DATE.—The amendments made by
this section shall apply to coverage for months beginning
after the date of the enactment of this Act.