

August 4, 2006

The Honorable Charles E. Grassley  
Chairman  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

When Congress established health savings accounts (HSAs) in 2003, you provided an innovative new option for making health care coverage more affordable and accessible. By combining low-premium health plan coverage with a portable tax-advantaged health spending account, HSAs encourage more prudent use of health care services while saving for future needs.

Over the past two years, the marketplace response to HSAs has been significant, but could be even greater. By January 2006, enrollment in the low-premium health plans that are used with HSAs grew rapidly to 3.2 million Americans -- a tripling of enrollment in just 10 months. Since more than 30 per cent of these new enrollees previously had no other source of health insurance, HSAs are proving to be particularly important for addressing the needs of uninsured Americans.

**Action is now needed by the Finance Committee and the Senate before this Congress adjourns to improve HSAs and accelerate the momentum toward consumer-oriented health plan choices.** In particular, we urge that the Senate approve the HSA Improvement and Expansion Act introduced by Senator Orrin Hatch, S. 3585. This bill includes many important and straightforward improvements to HSAs – including some which would likely have little or no revenue effect – and would increase HSA participation in the workplace and the individual insurance marketplace.

We support your efforts to lower health care costs while making our health care system much more responsive to the needs of consumers. Action by this Congress in the fall to improve HSAs is one clear way to advance these important goals for all Americans.

Sincerely,

Aetna  
American Bankers Association (HSA  
Council)  
American Benefits Council  
America's Health Insurance Plans  
Assurant Health  
Blue Cross and Blue Shield Association  
Business Roundtable  
CIGNA  
The Council of Insurance Agents and  
Brokers  
The Financial Services Roundtable  
General Motors

Hewitt Associates LLC  
National Business Group on Health  
National Association of Health  
Underwriters  
National Federation of Independent  
Business  
National Retail Federation  
National Restaurant Association  
Principal Financial Group  
Retail Industry Leaders Association  
UnitedHealth Group  
U.S. Chamber of Commerce  
Wellpoint

cc: Senate Majority Leader William Frist  
(continued)

Sen. Lamar Alexander  
Sen. George Allen  
Sen. Conrad Burns  
Sen. Tom Coburn  
Sen. John Cornyn  
Sen. James DeMint  
Sen. Elizabeth Dole  
Sen. John Ensign  
Sen. Orrin Hatch  
Sen. James Inhofe  
Sen. Johnny Isakson  
Sen. Mel Martinez  
Sen. Jeff Sessions