



CONSUMER DIRECTED
HEALTH COALITION

April 25, 2012

The Honorable Charles W. Boustany, Jr., M.D.
Chairman, Ways and Means Subcommittee on Oversight
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Boustany:

The Consumer Directed Health Coalition is comprised of large employers, small employers, insurers and others parties with an interest in consumer directed products. Our overall goal is to preserve consumer choice and to ensure consumer directed health care products remain a viable option for all purchasers—including consumers, employees and employers, alike.

We are writing to express our support for Representative Lynn Jenkins' bill, H.R. 2529, which would repeal a harmful provision in the Patient Protection and Affordable Care Act (PPACA). Specifically, H.R. 2529 repeals the PPACA's restriction that Health Savings Account (HSA) or Flexible Spending Account (FSA) dollars may only purchase over-the-counter (OTC) medical items when a physician prescription is obtained by an individual.

The prohibition on using HSA and FSA account funds to pay for OTC medicines and related items has already harmed consumers. Previously, beneficiaries were able to use their pre-tax HSA or FSA dollars to purchase allergy medicine, anti-biotic ointment for cuts and abrasions, arthritis tablets or other items to treat common ailments. However, with the changes made by the PPACA, the only way to purchase these drugs with these account funds is to have a physician write a prescription for the item—thereby triggering additional but unnecessary health care costs to the consumer.

The prescription requirement burdens the individual with scheduling a visit or call with the physician in addition to taking up the physician's limited time that could be better utilized treating ill patients. For these reasons, we support repealing this policy to ensure that HSA and FSA beneficiaries are no longer forced to bother a physician to get a prescription in order to use their HSA or FSA funds in purchasing OTC items.

The PPACA includes several other provisions that detrimentally affect the viability of consumer directed health products. In addition to imposing arbitrary caps on the amount of money that can be placed in an FSA, the law creates new actuarial value requirements that may affect the feasibility of these accounts and the plans with which they are offered. These changes in the PPACA threaten the availability and usefulness of these important health care products as consumer-friendly cost saving tools.

We applaud the Committee for reviewing the OTC provision as well as other important changes as it considers ways to reduce health care costs and ensure that these valued consumer directed products will be available in the future.

Sincerely,

The Consumer Directed Health Coalition