

# Smarter Health Care Coalition

April 23, 2020

The Honorable Mitch McConnell  
Russell Senate Office Building, 317  
Washington, DC 20510

The Honorable Chuck Schumer  
Hart Senate Office Building, 322  
Washington, DC 20510

The Honorable Kevin McCarthy  
Rayburn House Office Building, 2421  
Washington, DC 20510

The Honorable Nancy Pelosi  
Longworth House Office Building, 1236  
Washington, DC 20510

Dear Majority Leader McConnell, Leader Schumer, Speaker Pelosi and Leader McCarthy:

We the undersigned members of the Smarter Health Care Coalition (the Coalition) are writing to urge Congress to include the bipartisan *Chronic Disease Management Act of 2020* (S. 3200) in the next legislative vehicle to address the ongoing COVID-19 pandemic. 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 is squarely focused on removing barriers to high-value health care services and medications, especially for individuals living with chronic conditions who are particularly vulnerable to the severe economic and health impacts of the pandemic.

Chronic disease management and the prevention of further complications is an essential component of a comprehensive COVID-19 response for vulnerable individuals. As you know, the chronically ill – representing approximately half of all Americans – are at higher risk for severe illness related to COVID-19 and long-term complications.<sup>1</sup> Further, studies show that these individuals are currently postponing management of their conditions because of the risks associated with contracting COVID-19 at their site of care. The pandemic is also exacerbating economic hardship for these individuals as job losses grow and financial implications for managing their conditions become more severe.

As such, we appreciate the expeditious work of the Department of Treasury and the Internal Revenue Service (IRS) to issue Notice 2020-15, which, until further guidance is issued, allows health plans to cover “medical care services and items purchased related to testing for and treatment of COVID-19 prior to the satisfaction of the applicable minimum deductible”. While this is incredibly helpful for ensuring Americans have access to COVID-19 testing, treatment, and future vaccinations, it remains critical that Congress provide additional flexibility for health plans and employers to provide more robust coverage of chronic disease prevention.

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<sup>1</sup> <https://www.cdc.gov/coronavirus/2019-ncov/hcp/underlying-conditions.html>

Unfortunately, certain health benefit arrangements continue to face regulatory barriers to ensure patients have access to critical, high-value care for their chronic conditions. Specifically, when a health savings account (HSA) is paired with a high deductible health plan (HDHP), these plans have limited ability to offer services and medications to manage chronic conditions on a pre-deductible basis for the full range of illnesses. The rapid expansion of the HSA-HDHP marketplace makes enacting this policy even more timely and important. The Kaiser Family Foundation's 2019 Employer Health Benefits Survey shows the percentage of employers offering HDHPs grew from 4 percent to 28 percent between 2005 and 2019, and the percentage of employees covered by HDHPs over the same period grew from 4 percent to 30 percent.<sup>2</sup>

As such, it is essential that Congress ensure that the chronically ill in HSA-HDHP arrangements have access to critical services and medications without financial barriers. The bipartisan *Chronic Disease Management Act of 2020* would help vulnerable individuals with chronic illnesses access high-value health care services and medications that ensure optimal health and well-being during and after the COVID-19 peak, by providing employers and health plans the flexibility to lower out-of-pocket costs and provide first-dollar coverage for these critical benefits.

Notably, the legislation builds on 2019 Treasury Department and IRS guidance (Notice 2019-45). The guidance outlined the Treasury Department's and the IRS's determination that certain medical services and items, including prescription drugs, could be considered preventive for someone with a chronic condition. The legislation codifies the three criteria the Treasury Department and the IRS outlined to determine if a medical item or service could be covered pre-deductible:

- The service or item is low-cost;
- There is medical evidence supporting high cost efficiency (a large expected impact) of preventing exacerbation of the chronic condition or the development of a secondary condition; and
- There is a strong likelihood, documented by clinical evidence, that with respect to the class of individuals prescribed the item or service, the specific service or use of the item will prevent the exacerbation of the chronic condition or the development of a secondary condition that requires significantly higher cost treatments.

In summary, the legislation could help lower out-of-pocket costs for millions of Americans by allowing HSA-eligible HDHPs to provide access to health care services and medications that manage chronic conditions on a pre-deductible basis. Doing so will help prevent more delayed care from COVID-19 by vulnerable individuals as the pandemic unfolds. This could help limit the spread of COVID-19 and improve the health of the millions of Americans with chronic conditions, hopefully resulting in fewer unnecessary emergency care visits and hospitalizations in the future, to the benefit of all patients and our health care system overall.

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<sup>2</sup> Kaiser Family Foundation, 2018 Employer Health Benefits Survey, September 2018, available at, <https://www.kff.org/report-section/2018-employer-health-benefits-survey-section-8-high-deductible-health-plans-with-savings-option/>

Sincerely,

American Benefits Council  
America's Health Insurance Plans  
American Osteopathic Association  
Blue Cross Blue Shield Association  
Beyond Type 1  
Juvenile Diabetes Research Foundation  
National Coalition on Health Care  
Pacific Business Group on Health  
Public Sector HealthCare Roundtable  
The National Forum for Heart Disease & Stroke Prevention  
University of Michigan Center for Value-Based Insurance Design

CC:

Senator John Thune  
Senator Thomas Carper  
Senator Kevin Cramer  
Senator Tina Smith  
Senator Martha McSally  
Senator Kyrsten Sinema  
Senate HELP Committee Chairman Lamar Alexander  
Senate HELP Committee Ranking Member Patty Murray  
Senate Finance Committee Chairman Charles E. Grassley  
Senate Finance Committee Ranking Member Ron Wyden  
House Energy and Commerce Committee Chairman Frank Pallone, Jr.  
House Energy and Commerce Committee Ranking Member Greg Walden  
House Ways and Means Committee Chairman Richard E. Neal  
House Ways and Means Committee Ranking Member Kevin Brady  
House Education and Labor Committee Chairman Robert C. Scott  
House Education and Labor Committee Ranking Member Virginia Foxx