



## PARTNERSHIP FOR EMPLOYER-SPONSORED COVERAGE

Statement for the Record  
U.S. House Ways and Means Committee Subcommittee on Health  
Hearing: “Lowering Costs and Expanding Access to Health Care through  
Consumer-Directed Health Plans”  
June 6, 2018

Chairman Roskam, Ranking Member Levin and Members of the Committee:

The Partnership for Employer-Sponsored Coverage appreciates the Committee holding this hearing today to highlight the importance of consumer-directed health products such as health savings accounts (HSAs) and welcomes the opportunity to endorse the *Bipartisan HSA Improvement Act, H.R. 5138*.

The Partnership for Employer-Sponsored Coverage is a newly-formed advocacy alliance of employment-based organizations and trade associations representing businesses of all sizes and the over 178 million American workers and their families who rely on employer-sponsored coverage every day. The Partnership is committed to working to ensure that employer-sponsored coverage is strengthened and remains a viable, affordable option for decades to come.

Employer-sponsored coverage has been the backbone of our nation’s health system for over seven decades. Employers of all sizes contribute vast resources to their employees and families through the employer-sponsored system. As the payer of coverage, employers have a vested interest in health care quality, value, and system viability. Employers have been on the leading edge of health delivery innovation and modeling for decades.

In the 15 years since the Ways and Means Committee created HSAs under the Medicare Prescription Drug, Improvement, and Modernization Act (P.L. 108-173), utilization has grown tremendously among employers of all sizes and in the small group and individual insurance markets. Currently, more than 20 million Americans are covered by an HSA with a high-deductible health plan (HDHP) through employer-sponsored coverage or coverage in an insurance Exchange.

Over the last decade, employers of various sizes have either transitioned from a traditional preferred provider organization (PPO)-based system to an HSA with a HDHP or offered this arrangement as an option during open enrollment to provide employees with more cost-effective health coverage and consumer choice. As health costs have increased for working Americans and employers alike, an HSA coupled with a HDHP has become a more viable option to enable thousands of businesses to continue offering employment-based health coverage.

As the Ways and Means Committee and your colleagues in Congress explore ways to improve the usefulness of an HSA with a HDHP, the Partnership for Employer-Sponsored Coverage urges enactment of the *Bipartisan HSA Improvement Act, H.R. 5138*. There has been an increase in the variety of benefits offerings sponsored by employers since HSAs were created in 2003.



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Unfortunately, our nation's federal tax code has not kept pace with the advances in employer benefits offerings.

The Bipartisan HSA Improvement Act, which is sponsored by your colleagues Representatives Mike Kelly (R-PA), Earl Blumenauer (D-OR), Erik Paulsen (R-MN), Ron Kind (D-WI), and Terri Sewell (D-AL), aligns the HSA rules in the Code with the evolving and improving benefits offerings sponsored by employers. Among other provisions, H.R. 5138: allows for first dollar coverage of services for chronic care and disease management; provides for the use of services at employer on-site and retail clinics; and enables employees to use an HSA for wellness benefits including gym memberships.

The Partnership for Employer-Sponsored Coverage looks forward to working with you and your colleagues in Congress in a bipartisan manner to enact H.R. 5138 and other commonsense reforms to strengthen and improve our nation's employment-based health system, which serves as the safety net for over 178 million Americans every day.

### **Partnership for Employer-Sponsored Coverage Members:**

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