

June 19, 2015

The Honorable Jacob Lew  
Secretary, United States Department of the Treasury  
1500 Pennsylvania Ave, NW  
Washington, DC 20220

Dear Secretary Lew:

We are writing on behalf of the millions of patients we represent to encourage you to use your administrative authority to permit health savings account-eligible high deductible health plans (HDHPs) to cover and help pay for “secondary preventive services,” which prevent chronic disease progression or complications, before an enrollee’s deductible is met.

Half of all Americans struggle with at least one chronic condition.<sup>1</sup> For these individuals, having coverage with affordable cost-sharing for secondary preventive treatments is critical to ensuring that they are able to effectively manage their health and prevent any worsening of their condition.

While HDHPs are becoming increasingly common in both employer-based and non-group coverage, these types of plans often pose significant financial strain for families and create insurmountable financial barriers to care for those who cannot afford the cost of necessary treatment on their own. A consistent body of research has found that even nominal cost-sharing can negatively interfere with patients getting the care they need.<sup>2</sup> HDHPs can be particularly problematic for individuals suffering with chronic conditions who often depend on regular tests, medications, supplies, and treatments to effectively manage their condition and overall health. Without support to afford this secondary preventive care, many may end up forgoing necessary treatment and facing avoidable and worsening health outcomes down the line.

Under current rules, HDHPs are allowed to cover primary preventive benefits before the deductible is paid in full but not secondary preventive services. This can have far-reaching negative consequences for people suffering with many chronic conditions. For example, under a current HDHP, a patient with diabetes could have upfront coverage for the initial diagnostic test to determine he/she has diabetes, but all additional expenses incurred to prevent progression of the disease (e.g., blood work, eye and foot exams, insulin) would have to be paid out-of-pocket until their high deductible was met.

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<sup>1</sup> BW Ward, JS Schiller JS, RA Goodman, “Multiple chronic conditions among US adults: a 2012 update,” *Prev Chronic Dis*, 2014.

<sup>2</sup> Katherine Swartz, *Cost-Sharing: Effects on Spending and Outcomes* (Princeton: Robert Wood Johnson Foundation, December 2010).

Likewise, cardiac rehabilitation has proven to be very effective in preventing a second coronary event for patients following heart attack, coronary artery bypass surgery, heart failure, or other cardiac conditions, but these services are underutilized, in part because some patients may not be able to afford the cost-sharing for the 36 recommended sessions if they first must meet a high deductible. Similarly, high blood pressure is a major risk factor for heart attack and stroke if left untreated, and unfortunately, nearly half of all adults who are aware of their condition do not have their high blood pressure under control. About half of all patients prescribed antihypertensive medications stopped taking them within one year of the initial prescription, which may be partially due to the inability of some patients to afford them.

Another example of a crucial “secondary” preventive service is asthma education, which teaches asthma patients how to manage their symptoms and avoid triggers. This education prevents the worsening of symptoms, overuse of rescue inhaler medications, and trips to the emergency room – one study estimated that proper asthma management has the potential to save at least 25 percent of total asthma costs: close to \$5 billion nationwide.<sup>3</sup> However, critical to realizing this potential is ensuring that all patients are able to afford the services necessary to properly manage their asthma.

We must also consider the impact on beneficiaries with HIV, Hepatitis C and the co-infected population. This population relies on secondary preventive therapies and medications to control their condition and limit transmission of their disease to others. Ensuring that this population can afford the secondary preventive care they need is more than a *care* issue, it is truly a *public health issue*. Patients’ lack of compliance with treatment can lead to serious consequences for their own health and the broader population.

So, while covering primary prevention is a laudable first step, such plan design handicaps patients’ and providers’ ability to obtain and provide necessary care to avoid the complications and exacerbations associated with many chronic illnesses.

Given the growing prevalence of HDHPs, it is critical that these plans are permitted the flexibility to have upfront coverage for secondary preventive care. Ensuring that individuals with chronic conditions can afford the care they need to prevent the progression of their condition and manage their overall health is critical to improving the health of our society and, in the long term, moving our health care system towards one that delivers better health outcomes at lower costs. As part of initiatives to drive higher quality and more cost-effective care, many physicians are already being asked to follow recommended care guidelines as “best practice” standards of care, and some are being encouraged to do so by “pay-for-performance” programs. However, in order to effectively improve patients’ use of recommended care, it is equally critical to alleviate financial barriers that patients face to getting this treatment. Until these barriers are removed,

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<sup>3</sup> Asthma Regional Council. “Investing in Best Practices for Asthma: a Business Case – August 2010 update.”

patients and physicians will have limited ability to work together to effectively manage patients' chronic conditions.

The statute explicitly provides you with administrative authority to update the definition of preventive care. Section 223 (c)(2) of the Internal Revenue Code provides a safe harbor for preventive services:

*“A plan shall not fail to be treated as a high deductible health plan by reason of failing to have a deductible for preventive care (within the meaning of section 1871 of the Social Security Act, except as otherwise provided by the Secretary.” (Emphasis added).*

This language clearly permits you to designate “secondary preventive services” as preventive services or to use your authority provided in the underlined phrase to allow other secondary preventive services to be covered and paid for by the plan before the deductible is met. Broadening the existing safe harbor would allow HDHPs to cover evidence-based clinical services that prevent the progression of, or complications from, chronic disease before the plan deductible is met (i.e., first dollar coverage). We urge you to use this authority to allow for such plan design. Such policy could improve the likelihood that patients with chronic conditions enrolled in these plans can afford the critical treatment they need to prevent progression of their condition and maintain health and well-being.

Thank you for your attention and interest in this important issue. We look forward to working with you to change the definition of preventive care.

Sincerely,

ADAP Advocacy Association  
Asthma and Allergy Foundation of America  
American Diabetes Association  
American Federation of State, County, and Municipal Employees (AFSCME)  
American Heart Association  
American Lung Association  
Community Action National Network  
Community Catalyst  
Dialysis Patient Citizens  
Epilepsy Foundation  
Families USA  
Green and Healthy Homes Initiative  
Health Care for All – Massachusetts  
National Association of School Nurses  
National Center for Healthy Housing  
Service Employees International Union (SEIU)