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Via Email and Post

David S. Wichmann, CEO
UnitedHealth Group
P.O. Box 1459
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Ken Ehlert, CMO
UnitedHealth Group
P.O. Box 1459
Minneapolis, MN 55440-1459

Re: IRS Notice 2019-5, Increasing Preventive Care Benefits Under HSAs

Dear Mr. Wichmann and Mr. Ehlert:

Recent guidance released by the Internal Revenue Service will make it easier for millions of Americans living with chronic illnesses to afford the high-value preventive medicines and treatments that will not only keep them healthier but also reduce health care spending. We, the undersigned, applaud this action and strongly urge all health insurance providers to incorporate this guidance into plan coverage.

IRS Notice 2019-5 increases the types of medical care that can be designated as “preventive” for patients with chronic illnesses such as diabetes, arthritis, or hypertension. This allows people with high-deductible health plans (HDHPs) linked to health savings accounts (HSAs) to receive coverage for those treatments even if their overall spending has not reached their plan’s deductible limit.

This change is vitally important. According to the Kaiser Family Foundation 2018 Employer Benefits Survey, the popularity of high deductible health plans (HDHPs) linked to a Health Savings Account (HSA) has grown exponentially in the last decade. In 2018, nearly 29% of covered workers were enrolled in an HDHP, up from 8% in 2008. As popularity for these HDHPs with linked HSAs has grown, so has the average annual deductible, increasing by some accounts as much as 89% in recent years. These increased costs disincentivize patients to treat their chronic disease, delaying treatment to high-value first-line therapy.

If implemented, the IRS guidance means that more patients will be able to afford preventive devices and treatments including insulin, monitors, or testing equipment that enable them to manage their diabetes. Prevention is key to keeping people healthy and active, reducing the disruption to their lives and the expense of things like additional office visits, emergency room trips, and hospital stays to treat worsening symptoms. It can even avoid serious and costly health consequences such as amputation, heart attacks, strokes, even death.

The policy changes advanced by IRS Notice 2019-5 are a great example of what effective health care reforms should be – smart rule revisions that improve care while reducing spending throughout the system.

The United States currently spends about \$3.5 trillion a year on health care, more than \$10,000 for every person in the nation. A sizable portion of that vast dollar amount is attributable to the approximately 133 million American patients living with chronic illnesses. Diabetes alone afflicts about 10% of the U.S. population – 30.3 million people – generating annual costs that exceed \$200 billion.

Obviously, it is to everyone's advantage that we do everything possible to improve care and rein in the growing cost of health care. Patients, providers, insurers, and employers all benefit when health care is made more affordable and patients are less impacted by their medical conditions.

These changes will be available to health plan providers beginning next year. The Diabetes Policy Collaborative fully supports these improvements to HDHPs/HSAs and encourages you to incorporate them into your coverage offerings in 2020.

Sincerely,

The Alliance for Patient Access
American Association of Diabetes Educators
Beyond Type 1
Children with Diabetes
Chronic Disease Coalition
College Diabetes Network
Diabetes Mine
Diabetes Patient Advocacy Coalition
Diabetes Policy Collaborative
Diabetes Sisters
The Endocrine Society
JDRF
National Diabetes Volunteer Leadership Conference
National Forum for Heart Disease and Stroke Prevention
Preventive Cardiovascular Nurses Association