

August 16, 2017

The Honorable Paul Ryan  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington 20515

The Honorable Charles Schumer  
Minority Leader  
U.S. Senate  
Washington, DC 20510

Dear Speaker Ryan, Majority Leader McConnell, Minority Leader Schumer, and Minority Leader Pelosi:

On behalf of the more than 54 million American adults and children with arthritis, the Arthritis Foundation is pleased by the renewed efforts to find bipartisan solutions to stabilize the insurance markets and improve the Affordable Care Act (ACA) and health insurance for all Americans. As you know, arthritis is a complex, chronic condition, and for many in the arthritis community, access to health care can mean the difference between a life of chronic pain and disability and a life of wellness and full mobility. We believe that current law can be strengthened and improved, and we urge you to consider the following policy recommendations.

#### Stabilizing the Insurance Marketplace

The Arthritis Foundation believes it is critical that the government continue to pay for the cost-sharing reductions and provide certainty to insurers that these payments will remain available. This is the single most important step that can be taken to stabilize the individual market in the short-term and prevent an exodus of insurers from the marketplace or significant increases in premiums. Unfortunately, these effects are already being felt across parts of the country: 45 counties may not have any insurers participating in the exchanges next year; 1,388 counties may have just one.<sup>1</sup> In addition, an analysis released earlier this week by the Congressional Budget Office and Joint Committee on Taxation estimated that withholding ACA cost-sharing reduction subsidies would increase premiums 20 percent this year and raise the federal deficit \$194 billion over ten years.<sup>2</sup>

#### Health Savings Accounts (HSAs)

The Arthritis Foundation recognizes that expanding the use of HSAs and high deductible health plans (HDHPs) has been a policy option under consideration by Congress, and we think these policies can provide great value to many people with arthritis. While not comprehensive solution, the number of people using HDHPs is growing, and expanding the

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<sup>1</sup> New York Times. (2017). "For the First Time, 45 Counties Could Have No Insurer in the Obamacare Marketplaces." <https://www.nytimes.com/interactive/2017/06/09/us/counties-with-one-or-no-obamacare-insurer.html>

<sup>2</sup> Congressional Budget Office, Joint Committee on Taxation. (2017). "The Effects of Terminating Payments for Cost-Sharing Reductions." <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53009-costsharingreductions.pdf>

use of HSAs may help them manage their out-of-pocket costs. A recent survey found 90 percent of large employers will offer at least one HDHP in 2018; for 40 percent of employers, an HDHP will be the only plan option available.<sup>3</sup> Additionally, in the Affordable Care Act marketplaces, nearly 90 percent of enrollees are in health plans with deductibles that would qualify the plan as an HDHP as defined by the Internal Revenue Service.<sup>4</sup> Exchange enrollees that are low-income, older, or have a chronic illness like arthritis are disproportionately more likely to meet their deductibles and hit maximum annual out-of-pocket limits within the first months of the plan year.

The Arthritis Foundation conducted a focus group of arthritis patients to learn about their interactions with HSAs. We found that most participants met their deductibles within the first month of the plan year, and maximum annual out-of-pocket cost limits were met early in the plan year. Additionally, participants reported that their HSA had resulted in limited care or an inability to access “everything they need to manage their disease.”

Both the Senate and House of Representatives have proposed additional flexibility for HSAs by increasing the annual contribution limit to the maximum sum of an annual deductible and out-of-pocket expenses permitted under an HDHP. Other proposals included allowing HSAs to be used to help pay for qualifying medical expenses for dependents up to age 27, and permitting the use of HSA funds to pay for premiums for HDHP plans in cases where health plan premiums exceed allowable tax credits. In addition to being supportive of these types of proposals, the Arthritis Foundation learned from our focus group that allowing individuals to contribute money to their HSAs in advance of the plan year – so that it is ready to be used on day one – is another proposal that may garner bipartisan support. Policies such as these are important to ensuring individuals with chronic illnesses such as arthritis have enough flexibility with their plan to feel confident their health care needs are met.

### Exchange Plan Co-Insurance

Of particular concern to the Arthritis Foundation is the proliferation of specialty tiers across markets and the rising levels of co-insurance. Recent research shows the number of bronze and silver Exchange plans requiring over 30 percent co-insurance increased by 14 percentage points from 2014-2015, including 5 percentage points for RA drugs.<sup>5</sup> We urge you to consider solutions that would use a capped co-payment structure rather than co-insurance and permit a patient's cost-sharing responsibility to be spread evenly over the course of the plan year.

### Outreach and Engagement

The Arthritis Foundation is concerned by the termination of two contracts for outreach and engagement programs designed to sign up individuals for health care coverage. As open enrollment approaches, ensuring that adequate resources are designated for insurance marketplace outreach is a critical component to incentivizing healthy individuals to buy

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<sup>3</sup> National Business Group on Health. (2017). “Large U.S. Employers Project Health Care Benefit Costs to Surpass \$14,000 per Employee in 2018, National Business Group on Health Survey Finds. <https://www.businessgrouphealth.org/news/nbgh-news/press-releases/press-release-details/?ID=334>

<sup>4</sup> Health Affairs. (2016). *Health Policy Brief: High-Deductible Health Plans*. [http://healthaffairs.org/healthpolicybriefs/brief\\_pdfs/healthpolicybrief\\_152.pdf](http://healthaffairs.org/healthpolicybriefs/brief_pdfs/healthpolicybrief_152.pdf)

<sup>5</sup> Avalere Planscape @. (2015).

insurance and ensuring that people with chronic conditions choose the plans that best suit their needs, thereby achieving a more balanced risk pool.

Patients are the ultimate stakeholders in health care and the Arthritis Foundation stands ready to work with you to develop and advance bipartisan solutions to strengthen current law. We are committed to bringing the patient voice to the health care discussions in Congress and encourage you to use us a resource in the coming weeks and months. Please contact Anna Hyde, Vice President of Advocacy and Access, at [ahyde@arthritis.org](mailto:ahyde@arthritis.org) or (202) 887-2917 with questions or for more information.

Sincerely,



Anna Hyde  
Vice President, Advocacy and Access  
Arthritis Foundation