

# HSA Working Group

May 13, 2008

The Honorable Pete Stark  
Chairman, Subcommittee on Health  
Committee on Ways & Means  
United States House of Representatives  
Washington, DC 20515

The Honorable Dave Camp  
Ranking Member, Subcommittee on Health  
Committee on Ways & Means  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Stark and Ranking Member Camp:

As companies and organizations dedicated to helping more individuals and families access affordable and quality health insurance, we are writing to underscore our strong support for Health Savings Accounts (HSAs). We ask that you submit this letter for the official record of your May 14 hearing on HSAs and consumer-driven health plans.

We are pleased and encouraged by the fact that HSAs continue to be a dynamic, consumer-friendly and increasingly popular option for 6.1 million American individuals and families. Recent survey data by America's Health Insurance Plans indicate that HSAs are being utilized as real solutions to make health insurance more affordable for the uninsured. Over the past year, HSA products accounted for 31 percent of new coverage issued in the small-group market and 27 percent of newly purchased policies in the individual market. Further, enrollment in the large group market increased by 36% from January 2007 and now covers 2.8 million lives.

It is against the backdrop of these successes that we convey our concerns about inaccurate conclusions that might be drawn from a recent report by the Government Accountability Office (GAO) titled, "Health Savings Accounts: Participation Increased and Was More Common among Individuals with Higher Incomes" (GAO-08-474R).

We strongly believe that the GAO report's underlying conclusions that HSAs have served as mere tax shelters for the wealthy are not supported by a complete picture of the HSA experience since their creation.

One of the significant limitations of the GAO report is that the 2005 data analysis is a very thin slice of the lifespan of HSAs, as it was only the second year of the HSA program and only one million lives were covered. Moreover, the data of HSA participants in 2005 needs to be viewed in context, as they reflect a high number of former holders of Medical Savings Accounts (MSAs), who converted their accounts into HSAs upon their creation in early 2004. These individuals and families were largely self-employed individuals and small business owners who typically have higher annual earnings than the general population.

One of the underlying principles of HSAs is to allow consumers and patients to save money tax-free for *future* health care expenses. Allowing and encouraging all Americans to pre-fund their future health care costs through HSAs is sound public policy.

HSAs represent effective financial incentives that are aligned with the best interests of patients, consumers, and employers alike. In fact, HSAs are fulfilling the health care needs of real people who are working hard to find and have access to affordable, quality, and portable personal health coverage.

We look forward to working with you and your colleagues to pursue additional effective solutions to increasing access to affordable health insurance for all Americans and reducing the costs of health care.

Sincerely,

Aetna  
America's Health Insurance Plans  
American Benefits Council  
Aon Consulting, Inc.  
Assurant Health  
Avaya, Inc.  
Business Roundtable  
Cigna  
Council of Insurance Agents & Brokers  
Cummins Inc.  
Deere & Company  
Express Scripts Inc.  
HR Policy Association  
International Franchise Association  
National Association for the Self-Employed  
National Association of Health Underwriters  
National Association of Manufacturers  
National Business Coalition on Health  
National Business Group on Health  
National Center for Policy Analysis  
National Federation of Independent Business  
National Retail Federation  
National Roofing Contractors of America  
National Taxpayers Union  
Retail Industry Leaders Association  
Rockwell Collins  
The ERISA Industry Committee  
The Financial Services Roundtable  
The HSA Council, part of the American Bankers Association  
UnitedHealth Group  
U.S. Chamber of Commerce  
WellPoint  
Women Impacting Public Policy

Cc: Members of the Subcommittee on Health, Committee on Ways & Means