

September 27, 2023

Members of the House Ways and Means Committee,

On behalf of The ERISA Industry Committee (ERIC), **we urge you to vote YES on the *Bipartisan HSA Improvement Act of 2023 (H.R. 5688)* and the *HSA Modernization Act of 2023 (H.R. 5687)* that will be considered in the Committee.**

ERIC is a national nonprofit organization exclusively representing the largest employers in the United States in their capacity as sponsors of employee benefit plans for their nationwide workforces. With member companies that are leaders in every economic sector, ERIC is the voice of large employer plan sponsors on federal, state, and local public policies impacting their ability to sponsor benefit plans. ERIC member companies offer benefits to tens of millions of employees and their families, located in every state, city, and Congressional district.

These bills would make several key improvements to Health Savings Accounts (HSAs) – including many that would significantly help persons with high-deductible health plans (HDHPs) mitigate their out-of-pocket financial costs when seeking commonplace, routine healthcare. Some of these changes include:

- Allowing HDHPs and HSAs to be paired with direct primary care arrangement, and allowing the costs of these arrangements to be paid with HSA dollars;
- Allowing employers or plans to offer free or subsidized care to HDHP beneficiaries at on-site or near-site health clinics, without jeopardizing beneficiaries' HSA contribution eligibility;
- Ensuring that an individual can still have an HSA even if his or her spouse has a flexible spending arrangement (FSA); and
- Enabling one-time terminations and conversions from FSAs and health reimbursement arrangements (HRAs) into HSAs.

While an important step forward for many needed and long overdue HSA reforms, work remains on a few policies that are pared down from past bills or left unaddressed altogether to modernize HSA policy to allow for beneficiaries to be able to really put these important money saving tools to work for their health care budgets, particularly as health care costs continue to rise. For instance, although we support the inclusion of HSA provisions related to worksite health centers in H.R. 5688, the provision does not reflect a broader range of qualified services that were included in bipartisan legislation from the last Congress. Likewise, H.R. 5687 makes critical improvements, including allowing veterans to contribute to an HSA, but leaves out language needed to also protect those eligible for health programs administered by the Department of Defense, such as TRICARE or TRICARE for Life. We hope to work with members to implement these improvements as the bills move forward, and ultimately are reconciled with the Senate.

The Committee deserves praise for working to modernize HSAs. Employers have been seeking to do so for many years, and many of the changes under consideration will improve the lives of patients enrolled in these plans. Now is the time to advance pragmatic, bipartisan legislation to improve health benefits for the tens of millions of Americans with HDHPs, who are who are in all income classes, and may or may not have excess funds to contribute to an HSA.

We appreciate the work that has been done on these bills and look forward to working with the Committee to perfect and advance these critical pieces of legislation. **As such, ERIC urges Committee members to vote YES, and support the passage of H.R. 5688 and H.R. 5687.**

Sincerely,

