



EMPLOYERS COUNCIL ON FLEXIBLE COMPENSATION

927 15th Street, NW • Suite 1000 • Washington, DC 20005 • (202) 659-4300

David M. Carver, CFCI
Executive Director

June 18, 2009

The Honorable Charles Rangel
Chairman, Ways and Means Committee
2454 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

As the Ways and Means Committee continues its deliberations on health care reform, we are writing to urge you to ensure that flexible spending arrangements (FSAs) remain available to working Americans and their families.

Millions of Americans rely on their FSAs to obtain the services and supplies they need to maintain their health and stay out of the hospital. FSAs are particularly important to individuals with a chronic illness for whom even nominal cost-sharing can quickly accumulate, making it difficult for them to follow their providers' recommended course of care.

It is our understanding that as part of the discussions on capping the tax exclusion on employer-sponsored health benefits, some policy makers have expressed interest in mixing together employee contributions to FSAs and employer health care expenditures (i.e., premium expenditures), under a single, universal cap. This approach would threaten the very existence of FSA plans because the employer contribution for primary coverage would account for most, if not all of the expenditures counted toward the cap. It would lead to the effective elimination of FSA plans, leaving Americans with fewer choices in how best to use their own dollars in meeting their health care needs.

We agree that Congress should take steps to make FSAs more effective, including the adoption of provisions in H.R. 2526, the Medical FSA Improvement Act of 2009, introduced by Representatives Larson and Camp. We believe that the current health care reform debate presents a tremendous opportunity to pursue such improvements, which will further ensure the availability of meaningful individual account-based options under a reformed health care system.

Sincerely,

A handwritten signature in cursive script that reads 'David M. Carver'.

David M. Carver
Executive Director