



***Collaborative Industry Wide Effort to Preserve Working Americans'  
Access to Account-Based Health Care Plans:  
Immediate Action Needed***

As we previously reported, Congress is seriously considering a number of options to fund health care reform which would significantly curtail (or even eliminate) the employer exclusion for health care, flexible spending accounts (FSAs), health reimbursement arrangements (HRAs) and the exclusion for over-the-counter (OTC) medical items. See the full text PDF version of [ECFC's response](#) and the recently released [Joint Committee on Taxation report](#) dated June 2, 2009.

In response, ECFC conducted over 30 meetings with Congressional leaders earlier this week to clearly communicate the value of flex and individual account based plans (FSAs, HRAs, and HSAs) and the potential negative impact of reducing the employer exclusion for health care. Based upon these meetings it seems clear that:

- The Senate Finance Committee is seriously considering an overall cap on the employer exclusion for health care. Although specific details are not available, an overall cap would adversely impact flex and individual account based plans.
- Key Senate offices have indicated that it is not their intent to eliminate FSAs and HRAs. However, an overall cap on employer health care expenditures threatens the very existence of individual account based plans because most, if not all, of the exclusion would be taken up by the primary health coverage.

The Senate Finance Committee expects to begin its mark-up of health care reform legislation the week of June 23<sup>rd</sup>. Immediate Action is NEEDED NOW. If you haven't done so already, now is the time to communicate with your client base and encourage everyone to contact their congressional members to preserve Americans' ability to select an FSA, HRA, or HSA in a reformed health care system.

We encourage you to convey that:

- Any attempt to alter the current exclusion for health coverage will be a tax on working Americans at a time when our economy can least afford it.
- Many policy makers have pledged to ensure that Americans who like their current coverage will be able to keep it in a reformed health care system. A single cap will effectively abolish account-based plans and is counter to that pledge.

- Account-based plans lead to better consumer engagement in their health care decisions, which has been shown to help reduce unnecessary health care spending.
- Account-based plans are particularly important for individuals with chronic illnesses, who may take multiple prescriptions and may have multiple monthly doctors' appointments. Even if cost-sharing is nominal, out-of-pocket spending for a person with a chronic illness can quickly add up. Account-based plans help these individuals meet those obligations and get the medicines and services they need to remain healthy and out of the hospital or emergency room.

A new URL has been added to the ECFC website that will contain additional ideas, tools and a timeline for this collaborative endeavor. In addition, contact information for the Senate Finance Committee members and all Congressional offices can be found at the link. Beginning Monday you can access this information on the ECFC web site in a special legislative section of our web site. The new section will sit below our [Effective Lobbying](#) web page.

### Call to Action

- **Weekly Call:** In an effort to ensure we are coordinated in our message and efforts we are starting a weekly call to discuss latest news, legislative direction and collaborate on the best course of action. *Instructions will be posted on the above mentioned link.*
- **Communications and Tools:** If your organization has already put forth communications, gathered data, or done anything relating to our mutual cause, we encourage you to share your efforts by sending these to ECFC. We will post all communications, sample email language, research findings and data on our website. You can access these shared resources and tools by clicking *the above mentioned link.* We will update the site as we receive new material from industry organizations, so check back often.
- **Data Request:** Congressional members and staff are asking for hard data that illustrate our position/argument for the preservation of account based plans. Some data has been compiled from a few of the larger organizations, but we need to compile comprehensive numbers to accurately reflect our industry's participation. *A separate data request will follow and be included at the above mentioned link. Please be sure to provide data in the format requested as quickly as possible*

We look forward to working with you to on this grassroots effort.