



September 27, 2023

The Honorable Jason Smith, Chairman
The Honorable Richard Neal, Ranking Member
Committee on Ways and Means
House of Representatives
Washington, D.C.

Dear Chairman Smith, Ranking Member Neal, and Members of the Committee:

On behalf of more than three million Americans for Prosperity activists and supporters across all fifty states, we urge a “YES” vote on H.R.5687, the HSA Modernization Act of 2023, and H.R.5688, the Bipartisan HSA Improvement Act of 2023.

Together, these bills represent the most significant improvement in tax-free Health Savings Accounts since their creation twenty years ago.

The Bipartisan HSA Improvement Act would make innovative direct primary care arrangements HSA-compatible, removing an important barrier between patients and the medical professionals they trust.

The HSA Modernization Act would extend HSA access to veterans, Native Americans, and working seniors – Americans too often let down by failing government health care programs. It would also make bronze and catastrophic tier plans in the online marketplace HSA-qualified and would make HSAs even better for hard-pressed families by allowing them to put enough money in their account to fully cover their insurance cost-sharing obligations, providing welcome peace of mind.

Expanding and improving HSAs will mean more competition, more innovation, and lower, more transparent prices. It will mean fewer barriers between patients and care.

Americans want this. They want more options. In an AFP poll of 1,000 registered voters, participants overwhelmingly say the best way to reduce health care costs is more personal choice and control (71%), not more government (29%). **Nine in ten voters (87%) support legislation to allow any American to have a Health Savings Account.**

We support this legislation because it would dramatically advance a Personal Option for millions of Americans, giving them more personal choice and control over their health care. Two-to-one, voters prefer a Personal Option (66%) over Medicare for All (34%) – including 75% of independents, 67% of women, and 66% of Hispanics.

Medical inflation is crushing the middle class. Twenty-five percent of the median household budget today goes to health care, double the share of twenty years ago, and this burden is growing. Thanks to misguided government mandates and inflationary government subsidies, health insurance premiums have doubled since 2010 and deductibles have tripled.



HSA's offer much-needed relief from these crushing burdens. HSA's reduce wasteful spending and help bend the cost curve downward. Studies confirm patients armed with an HSA shop for value, because they are spending their own money. What they do not spend they get to keep, knowing it will be there for them when they need it. HSA's help people take more personal responsibility for their health.

Far from being "only for the healthy and wealthy" HSA's are ideal for lower-income and middle-class families and people with chronic medical conditions. For these Americans, using a tax-free HSA effectively gives them a 10 to 40 percent discount on every out-of-pocket medical purchase they make. And because HSA's can be used for any qualified medical or dental expense, they enable people with chronic conditions to obtain needed items and services their insurance does not cover. Studies show people with HSA's do not stint on their own care. In fact, they spend more on preventive services.

While HSA's are not a substitute for insurance, they are a powerful supplement. A widely reported Fidelity report reveals a 65-year-old couple retiring today can expect to pay an average of \$315,000 on health care expenses in retirement, despite having Medicare. Perhaps that is why one in five people in their thirties has an HSA today, and why half of Millennials say yes when offered one at work. They read their medical bills, and the inflation news.

In short, this is a great package. May it be the first of many. We stand ready to help. Together, we can give Americans the high-quality health care system they want and deserve. We can give them a Personal Option.

We urge a "YES" vote on this historic and transformative legislation.

Sincerely,

A handwritten signature in black ink that reads "Brent Gardner". The signature is written in a cursive, flowing style.

Brent Gardner
Chief Government Affairs Officer
Americans for Prosperity