



COUNCIL FOR AFFORDABLE
HEALTH COVERAGE

January 22, 2025

Congresswoman Beth Van Duyne
1725 Longworth House Office Building
Washington, DC 20515

Dear Congresswoman Van Duyne,

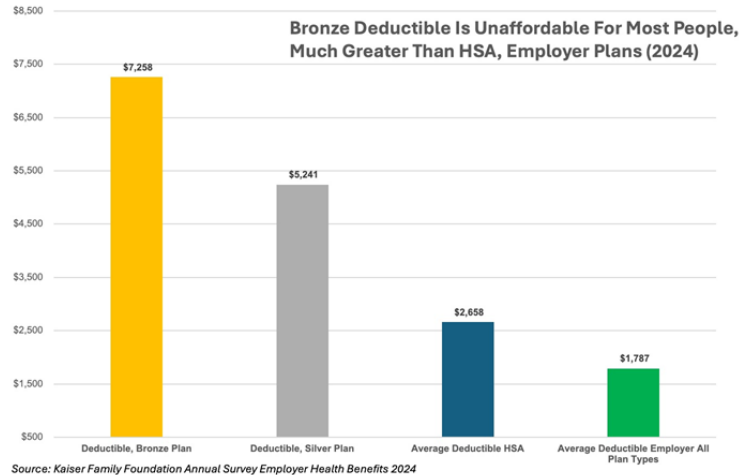
The Council for Affordable Health Coverage (CAHC) writes to express our support for the *HSA Modernization Act* because it will lower health costs and expand coverage options for individuals.

Health care costs are escalating rapidly and continue to rise faster than the economy and incomes. Over the past 10 years health insurance premiums have jumped 50% and deductibles have increased by 69%, while incomes rose by just 17%. By 2032, the average American family is projected to spend nearly 40% of their income on health insurance premiums, leaving less for essentials like education, housing, and food.

HSAs are pro-patient and pro-consumer – they provide more resources to offset rising medical costs and out-of-pocket expenses. Times are tough. According to the Federal Reserve's 2023 Economic Well-Being of U.S. Households survey released in May 2024, 27 percent of adults went without some form of medical care because of cost reasons, a 24 percent increase from 2021. Americans must borrow money to see a doctor, go to the pharmacy, or cover a hospitalization. Or they could use an HSA, which allows families and working Americans to set aside funds and contributions from employers to pay for medical costs. HSAs fill in the gaps not paid by insurance.

Unfortunately, HSAs are not available to everyone – federal rules block most Americans from getting and funding an HSA.

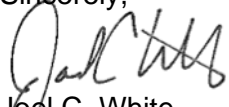
This is why we support the *HSA Modernization Act* – it reforms the rules that prevent lower costs for patients. First, it would open up ACA enrollee access to HSAs. This will be a game changer for millions of Americans. For example, in 2024, the average HSA deductible was half as much as an ACA Silver Plan, and two-thirds less than a Bronze Plan.



Considering the lack of HSA options in Obamacare exchanges and the expensive deductibles in Bronze plans, Congress should give those in Bronze and Catastrophic plans the option of establishing an HSA account to pay for costs before their insurance kicks in. The bill would be a lifeline in this regard for American families struggling with high health costs. The bill also allows older Americans to continue to fund HSAs, which should reduce Medicare costs. HSAs should also be an option for all Americans, which is why expanding choice for veterans and people enrolled in the Indian Health Service is so important.

HSAs have been a staple of the health plan market for 20 years, with about 35 million accounts covering 67 million people. The needs of consumers, however, have outstripped the law's original design. We support your bill because it smartly modernizes the HSA law to lower costs for patients while expanding options people can use for valuable healthcare services.

Sincerely,


Joel C. White
President