

CHCC

CORPORATE HEALTH CARE COALITION

January 24, 2024

Committee on Education & The Workforce
Subcommittee on Health, Employment, Labor and Pensions
United States House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

Chair Good and Ranking Member DeSaulnier:

The Corporate Health Care Coalition (CHCC) appreciates the opportunity to submit a statement for the record in response to the hearing entitled “Lowering Costs and Increasing Access to Health Care With Employer-Driven Innovation,” held by the House Education and Workforce Subcommittee on Health, Employment, Labor and Pensions on January 11, 2023.

CHCC is comprised of companies from industries that compete in the global marketplace and sponsor self-insured health plans for the benefit of our employees and other beneficiaries. CHCC member companies are committed to providing access to affordable, quality health care benefits. We offer market-leading health and well-being benefits to recruit and retain top talent, but even more importantly, to maintain a healthy and productive workforce, which is key to any company’s success. Collectively, CHCC member companies provide health benefits for over 4 million Americans, across every state in the nation.

CHCC believes that strengthening and maintaining the employer-based system, while building on the tools employer-sponsored plans can use to deliver affordable, high-quality care to millions of Americans, is critical to ensuring our nation’s population health and fiscal health.

Protect and Maintain ERISA Regulatory Framework

As self-funded health plan sponsors, CHCC members are constantly looking for ways to innovate to improve plan participants’ health, reduce health care costs for all, and use our leverage as payers to improve the health care system and promote payment for value. Essential to our efforts to drive innovative health care solutions is the flexibility to administer our health plans under the federal regulatory framework of the Employee Retirement Income Security Act of 1974 (ERISA). CHCC therefore urges Congress to maintain the integrity of ERISA in light of the many efforts at the state level which would potentially erode ERISA by subjecting employer-sponsored plans to burdensome, costly and often duplicative requirements.

The Corporate Health Care Coalition (CHCC) is a public policy coalition of large, multi-state, self-insured companies that operate health benefit plans for employees and their families as well as retirees. For more information, please visit corporatehealthcare.org.

Reduce Barriers and Increase Flexibility for Employer-Sponsored Plans to Provide Innovative Health Care Benefits

On-site and near-site medical clinics, direct primary care arrangements and providing access to health and mental/behavioral services via telehealth are just a few examples of how our companies are striving to achieve better health outcomes for our plan participants, while keeping costs down. Therefore, CHCC encourages Congress to consider proposals that will strengthen our ability as plan sponsors to offer quality care and manage costs:

1) Encouraging Direct Contracting Arrangements: With a focus on driving better health outcomes for our beneficiaries, rather than just lowering costs, CHCC companies have been leaders in undertaking direct contracting arrangements, wherein employer-sponsored plans contract with providers and incorporate key clinical and patient satisfaction health care metrics—for which both the plan sponsor and provider are held responsible—has improved the health of our employees and their families, reduced costs, and improved the patient's experience with the health care delivery system.

Recommendation: CHCC encourages Medicare, as the largest purchaser of health care, to continue to pursue value-based care arrangements, which will further drive the movement toward value-based care delivery across the entire health care system. We also note that the Congressional Budget Office (CBO) recently published a report which found that the Center for Medicare & Medicaid Innovation, where value-based arrangement models are piloted, reduced spending on health care benefits by \$2.6 billion over the first 10 years. In recognizing these savings, CBO demonstrates that credit can be given for the longer-term savings produced by value-based care, which CBO models have not taken into account when scoring employer-sponsored value-based care models, such as direct contracts, in the past. We urge the Committee to explore how CBO modeling could better account for the savings produced by value-based care.

2) Removing Barriers to Direct Primary Care Arrangements: CHCC companies have also pioneered efforts to establish direct primary care arrangements, to foster improved access to primary care and preventative services, which in turn can lead to less acute or costly conditions and fewer visits to the hospital. These arrangements are particularly meaningful in smaller markets, where access to primary care providers can be less robust. CHCC companies have found that such arrangements are especially effective in addressing specific population health issues, such as diabetes and high blood pressure. Unfortunately, current law prohibits an individual with a health savings account (HSA) paired with a high-deductible health plan (HDHP) from participating in a direct primary care arrangement and an employer from even offering this arrangement to those who choose to enroll in HDHP/HSA plans.

Recommendation: We encourage Congress to consider legislative initiatives to remove barriers to direct primary care arrangements, such as the bipartisan Primary Care Enhancement Act of 2023 (H.R. 3029), which clarifies the tax code so that individuals who are enrolled in an HSA/HDHP plan are no longer ineligible to participate in a direct primary care arrangement.

3) Making Permanent Access to Primary Care Services Via Telehealth: Recognizing the vital role that telehealth can play in the delivery of health care services, Congress has acted twice to allow employers to provide pre-deductible coverage of telehealth services on a temporary basis. This commonsense, bipartisan policy will expire at the end of 2025.

Recommendation: CHCC supports legislative efforts to extend or make permanent the provisions in current law that allow first-dollar coverage for telehealth service for individuals enrolled in HDHPs/HSAs, such as the bipartisan Telehealth Expansion Act (H.R. 1843).

4) Integrating Behavioral Health with Primary Care: CHCC companies have worked to ensure beneficiary access to mental and behavioral health services, especially during the COVID-19 pandemic. Integrating behavioral health into the primary care setting allows providers to better identify patients in need of behavioral services at the time they present, allowing the patient to more rapidly access services by directing them into the appropriate level of care as quickly as possible.

Recommendation: We support legislative efforts to enhance access to mental and behavioral health services, including via telehealth, and to encourage delivery models which incentivize primary care providers to offer these services within their practice as a way to treat the “whole person.” We also support efforts to bolster the mental and behavioral health workforce.

5) Promoting On-Site Care: To maintain the health and productivity of our workforce, many CHCC member companies have established on-site medical clinics, which encourage quicker access to care. However, individuals in an HDHP/HSA are disincentivized from using these on-site medical clinics because under current law they would have to pay full price for any care received until their deductible is met.

Recommendation: As demonstrated above regarding telehealth and direct primary care, and now on-site clinics, the rules and statute relating to HDHPs/HSAs need to be modernized to reflect new health care delivery models and strategies, including on-site medical clinics, chronic disease prevention programs and telehealth services. CHCC supports legislative efforts such as the Bipartisan HSA Improvement Act (H.R. 5688) and the Chronic Disease Management Act (S. 655) to accomplish these goals.

6) Expanding Eligibility for HSAs to Seniors, Veterans, TRICARE recipients, and American Indians/Native Americans: HDHPs, when paired with HSAs, are a tax-efficient way for employees to pay for existing or save for future qualified medical expenses. Coupled with cost and quality information, employees have a financial interest in their health care decisions and use the health care system more efficiently. Seniors who are automatically enrolled in Medicare Part A when they turn age 65 are precluded from making pre-tax contributions or receiving employer contributions to HSAs. This is particularly disruptive for many seniors who remain active at work. The same is true for veterans and individuals who are eligible for TRICARE and members of American Indian and Alaska Native Tribes who receive medical care provided by the Indian Health Service.

Recommendation: CHCC supports legislation to make HSAs more widely available, and to allow seniors, veterans, Tricare-eligible employees and American Indians/Native Americans eligible to participate in and receive contributions to an HSA.

Increasing Transparency and Marketplace Innovation

CHCC member companies strive to provide meaningful information to our plan participants regarding the cost and quality of services because we believe that empowering participants with such information across care categories will enable them to make informed, cost-conscious health care decisions. For employers, access to cost and quality data can help provide the insights we need to continue our efforts to offer employees and their families access to high quality providers, thereby improving outcomes and lowering health care costs. A lack of transparency in the health care system has contributed to the ongoing trend of rising health care costs in this country.

Recommendation: Data on the costs of items and services, as well as provider metrics and health care quality outcomes, are necessary for individuals to make informed decisions about their health care and for value-based purchasing systems to work. CHCC commends Congress on its efforts to increase transparency in all strata of the health care system, particularly drug pricing, where employers are experiencing drastic increases in specialty drugs over recent years. CHCC supports greater transparency within the pharmaceutical supply chain, which would allow a better understanding of the costs in the system. We also support market-based solutions to promote competition and the approval of quality, affordable generics and biosimilars.

Conclusion

The employer-sponsored health care is the backbone of the U.S. health care system, offering a vital source of health care for over 160 million Americans. CHCC looks forward to working with this committee on sensible policies to improve access to employer-sponsored care and to promote continued innovation in the private health care marketplace.

Sincerely,

The Corporate Health Care Coalition