



**National
Business
Group on
Health**

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Creative Health Benefits Solutions for Today, Strong Policy for Tomorrow

May 2, 2012

The Honorable Charles W. Boustany, Jr., M.D.
Chairman
Ways and Means Subcommittee on Oversight
1102 Longworth HOB
Washington, DC 20515

Dear Chairman Boustany:

The National Business Group on Health applauds the Subcommittee's efforts to review the Patient Protection and Affordable Care Act's (ACA) ban on using Flexible Spending Accounts (FSAs), health reimbursement arrangements (HRAs), and health savings accounts (HSAs) to pay for over-the-counter (OTC) medications, except for insulin, unless people have a prescription.

The National Business Group on Health represents approximately 342, primarily large, employers (including 67 of the Fortune 100) who voluntarily provide health benefits and other health programs to over 55 million American employees, retirees, and their families.

As you know, the National Business Group on Health supports H.R. 605, the Patient's Right to Choose Act, a bill that you co-sponsored with Representative Erik Paulsen (R-MN) that would remove both the ACA's ban on using health accounts for OTC medications without a prescription and the \$2,500 annual maximum employee contribution limit for FSAs.

The ACA made OTC nonprescription drugs more expensive and taxable. Ironically, this change has likely added to health care costs by creating incentives to use more expensive prescription drugs even when OTC drugs would work just as effectively in many cases. It has also likely raised health care costs and waste by encouraging additional visits to doctors solely to obtain prescriptions for OTC medications. Unnecessary visits will make it even more difficult to schedule appointments with providers when the ACA expands coverage to an additional 28 million people in 2014¹ in the face of a 45,000 primary care physician shortage.²

¹ Congressional Budget Office. Updated Estimates of the Insurance Coverage Provisions in the Affordable Care Act. March 13, 2012, <http://cbo.gov/sites/default/files/cbofiles/attachments/03-13-Coverage%20Estimates.pdf>

² American Association of Medical Colleges. Physician Shortage to Worsen Without Increases in Residency Training. September 30, 2010, https://www.aamc.org/download/150584/data/physician_shortages_factsheet.pdf

Reducing the amount that people are able to contribute to their FSAs will make it particularly harder for people with chronic diseases to pay for their current health care expenses. FSAs are invaluable for diabetics and asthmatics to help pay for maintenance medications and testing supplies. Many others use FSAs to help pay for needed medical care. Accordingly, we also support your continuing efforts to remove the cap on FSA contributions that is scheduled to take effect in 2013 to help lower out-of-pocket health care spending for Americans and their families.

For those reasons, the National Business Group on Health strongly supports your efforts to remove the restrictions on the use of health accounts for OTC drugs without prescriptions and the cap on FSA contributions. Please contact me or Steven Wojcik, the National Business Group on Health's Vice President of Public Policy, at (202) 558-3012, if you would like to discuss our comments in more detail.

Sincerely,

A handwritten signature in cursive script that reads "Helen Darling".

Helen Darling
President