COUNCIL FOR AFFORDABLE
HEALTH COVERAGE

May 13, 2025

Congressman Jason Smith
1011 Longworth House Office Building
Washington, DC 20515

Congressman Richard Neal
372 Cannon House Office Building
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal,

The Council for Affordable Health Coverage (CAHC) writes to express our support for health savings account (HSA) policies being considered during today's House Ways and Means Committee markup.

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. 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 these policy reforms to change rules that prevent lower costs for patients. Expanding access to health savings accounts and enhancing the flexibility over how those funds are used will significantly boost the value of HSAs.

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. This is a once-in-a-generation opportunity to dramatically address the burden of rising healthcare costs without costing taxpayers.

Sincerely,

Joel C. White
President