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Title: Define "Prevention" to Include High-Value Secondary Preventive Services

Introduced by: Alex Kelsall and Brian Yagi for the Medical Student Section

Original Author: Alex Kelsall

Referred to: Reference Committee A

House Action: **REFER**

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Whereas, high deductible health plans (HDHPs) created by the Medicare Prescription Drug Improvement and Modernization Act of 2003 now represent the source of health care coverage for a significant and growing number of Americans - - 19.7 million individuals and 13.3 percent privately-insured, non-elderly adult as of January 2015; representing an average annual growth rate of 15 percent since 2011<sup>1,2</sup>, and

Whereas, it is estimated that greater than 80 percent of large employers offered an HDHP in 2015, nearly four times the proportion that did so in 2005, and it is also estimated that nearly 30 percent of large employers offered HDHPs as their only plan option in 2015<sup>3</sup>, and

Whereas, nearly 90 percent of enrollees in the Health Insurance Marketplaces established pursuant to the Affordable Care Act (ACA) are in a HDHP<sup>4</sup>, and

Whereas, the ability to pair a HDHP with a pre-tax Health Savings Account (HSA) is regulated by the Internal Revenue Service (IRS) and requires that HDHP enrollees pay the full cost of medical treatment until a minimum deductible (\$1,300 for an individual and \$2,600 for a family in 2015) is met, and

Whereas, there is a safe harbor clause in the Internal Revenue Code, subparagraph (C) of section 223(c)(2), that allows HSA-eligible plans to provide "first dollar" (i.e., pre-deductible) coverage for "preventive care" as it is defined in section 1861 of the Social Security Act (SSA)<sup>5</sup>, and

Whereas, the SSA does not clearly define preventive care, but rather lists preventive services, in the context of an initial preventive physical examination for newly enrolled Medicare beneficiaries, as including only certain vaccinations, screenings for common cancers, cardiovascular problems, and diabetes, and other primary preventive measures (those intended to prevent the development of a disease for which the patient has not already developed signs or symptoms) receiving an A or B recommendation from the U.S. Preventive Services Task Force<sup>6</sup>, and

Whereas, a subsequent IRS notice confirmed that the definition of "preventive care" does not include services or benefits intended to treat "an existing illness, injury or condition;" thereby, excluding pre-deductible coverage of secondary preventive measures (e.g., insulin,

48 eye/foot exams, and glucose monitoring supplies for diabetic patients, anti-resorptive therapy  
49 for patients with osteoporosis, statins for patients with heart disease, etc.)<sup>7</sup>, and

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51 Whereas, chronic diseases are responsible for seven of ten deaths in the U.S., and  
52 treating those with chronic diseases accounts for 86 percent of national health care costs each  
53 year<sup>8</sup>, and

54

55 Whereas, there is evidence that patients with a chronic disease that are covered by  
56 HDHPs are more likely to forego needed care that will prevent disease progression or  
57 associated complications due to its cost than are their peers who are covered by traditional  
58 health plans<sup>9</sup>, and

59

60 Whereas, foregoing needed care to prevent the progression of, or complications from,  
61 chronic disease results not only in poor health outcomes but in higher aggregate health care  
62 expenditures<sup>10,11</sup>, and

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64 Whereas, recent spending reductions in HDHPs are, unfortunately, the result of  
65 utilization reductions across a broad range of services, including high-value preventive services  
66 (both primary and secondary), and not the effect of selective reductions in unnecessary or low-  
67 value care or consumer price-shopping<sup>12</sup>, and

68

69 Whereas, secondary preventive services that delay the progression of, and avoid  
70 complications from, chronic diseases are critical to providers' ability to effectively manage  
71 these conditions<sup>13</sup>, and

72

73 Whereas, secondary preventive services are recommended by clinical practice  
74 guidelines<sup>14</sup> and pay-for-performance initiatives<sup>15</sup>, and

75

76 Whereas, recently proposed legislation in both the Senate<sup>16</sup> and House<sup>17</sup> attempts to  
77 expand pre-deductible coverage of secondary preventive care, but only in the context of  
78 medications, by amending the definition of "preventive care" as follows: "Preventive care shall  
79 include prescription and over-the-counter drugs and medicines which have the primary  
80 purpose of preventing the onset of, further deterioration from, or complications associated  
81 with chronic conditions, illnesses, or diseases," and

82

83 Whereas, including targeted, evidence-based secondary preventive services in HDHP  
84 first dollar coverage would not threaten their intended goal of containing cost, as it would  
85 require only small increases in HDHP premiums<sup>18</sup>, and

86

87 Whereas, including targeted, evidence-based secondary preventive services in HDHP  
88 first dollar coverage would improve their actuarial value and enhance their attractiveness to  
89 potential purchasers<sup>18</sup>; therefore be it

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91 RESOLVED: That the Michigan Delegation to the American Medical Association (AMA)  
92 ask our AMA to advocate for the expansion of the definition of "preventive care" in the context  
93 of Health Savings Account-eligible High Deductible Health Plans to include evidence-based

94 secondary preventive services and treatments which have the purpose of preventing the  
95 progression of, or associated complications from, chronic conditions, illnesses, or diseases.  
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98 **WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE**

<sup>1</sup> AHIP report: "2015 Census of Health Savings Account – High Deductible Health Plans." November 2015. Accessed online January 2016.

<sup>2</sup> Martinez, M. et al. "Health Insurance Coverage: Early Release of Estimates from the National Health Interview Survey, January-June 2015." National Health Interview Survey Early Release Program. November 2015. Accessed online February 2016.

<sup>3</sup> Towers Watson/NBGH 2013/2014 Employer Survey on Purchasing Value in Health Care. May 2014. Accessed online January 2016.

<sup>4</sup> "Health Policy Brief: High-Deductible Health Plans," Health Affairs, February 4, 2016. Accessed online February 2016.

<sup>5</sup> 26 U.S.C. § 223(c)(2)(B).

<sup>6</sup> Social Security Act, 42 U.S.C. 1395x, § 1861, subsection WW(ddd)(1). [https://www.ssa.gov/OP\\_Home/ssact/title18/1861.htm](https://www.ssa.gov/OP_Home/ssact/title18/1861.htm)

<sup>7</sup> [https://www.irs.gov/irb/2004-15\\_IRB/ar10.html](https://www.irs.gov/irb/2004-15_IRB/ar10.html)

<sup>8</sup> <http://www.cdc.gov/chronicdisease/index.htm>

<sup>9</sup> Galbraith, AA et al. "Delayed and foregone care for families with chronic conditions in high deductible health plans." *Journal of General Internal Medicine*. Sept 2012, vol. 27 (9): 1105-11.

<sup>10</sup> Bitton, A. et al. "The impact of medication adherence on coronary artery disease costs and outcomes: a systematic review." *American Journal of Medicine*. April 2013, vol. 126 (4): 357.e7- 357.e27.

<sup>11</sup> Sokol, M.C. et al. "Impact of medication adherence on hospitalization risk and healthcare cost." *Medical Care*. June 2005, vol. 43 (6): 521-530.

<sup>12</sup> Kolstad, J. et al. "NBER Working Paper w21632: What Does a Deductible Do? The Impact of Cost-Sharing on Health Care Prices, Quantities, and Spending Dynamics." October 2015. Accessed online February 2016.

<sup>13</sup> Cummings, S. et al. "Denosumab for prevention of fractures in postmenopausal women with osteoporosis." *The New England Journal of Medicine*. August 2009, 361:756-765.

<sup>14</sup> American Diabetes Association Position Statement: Standards of Medical Care in Diabetes—2015. *Diabetes Care*. 2015;38(Suppl. 1):S1–S94.

<sup>15</sup> Merit-Based Payment System (MIPS) established by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) and ACO Shared Savings programs

<sup>16</sup> The Health Savings Act of 2016, S. 2499, 114th Cong. (2016).

<sup>17</sup> The Health Savings Act of 2016, H.R. 4469, 114th Cong. (2016).

<sup>18</sup> University of Michigan Center for Value-Based Insurance Design. "Health Savings Account-Eligible High Deductible Health Plans: Updating the Definition of Prevention." May 2014. Accessed online January 2016.