

February 23, 2017

The Honorable Orrin Hatch
Chairman, Committee on Finance
United States Senate
104 Hart Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the Employers Council on Flexible Compensation (ECFC), we are writing to support your legislation, the Health Savings Act of 2017 (S. 403). Enhancing access to Health Saving Accounts (HSAs) by expanding eligibility rules and increasing the maximum contribution limit and allowing their funds to be used for evolving health care needs and services, helps American families save for and manage their growing health care expenses. We believe that the provisions of this bill should be included in any effort made by Congress to reform the health care system.

ECFC is a membership association dedicated to maintaining and the availability of benefit choices for working Americans through account-based benefit plans which provide benefits in areas such as health care, child care, and commuting. ECFC's members include employers who sponsor employee benefit plans, including Health Reimbursement Arrangements (HRAs), Flexible Spending Arrangements (FSAs), and HSAs, as well as insurance, accounting, consulting, and actuarial companies that design or administer employee benefit plans. ECFC member companies assist in the administration of cafeteria plan and health benefits for over 33 million employees and dependents.

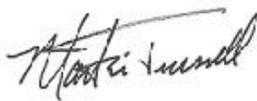
Our members applaud your recognition of the importance of health-based accounts. These tools provide a means of financing health care costs incurred under health plans, particularly under high deductible health plans, and help many Americans afford critical health care procedures that might otherwise force them into bankruptcy. Users of HSAs and FSAs are middle class families. On average, they earn roughly \$57,000 per year, which is less than 300% of the federal poverty level (FPL).

In particular, we are pleased your legislation allows the use of health account funds for prevention and wellness activities. Enacting these provisions will encourage employers to continue to offer these accounts as options for their employees and for families to prepare for their health care financing needs.

In addition, we are appreciative of your efforts to repeal the taxes enacted as part of the Affordable Care Act (the "ACA"), especially the excise tax on high cost health plans, commonly referred to as the "Cadillac Tax." This excise tax is causing employers to curtail or eliminate many employer-sponsored arrangements that promote efficient health care such as wellness program incentives and consumer-directed arrangements such as FSAs, HRAs and HSAs. The repeal of this excise tax is an important priority of ECFC's members, and we welcome your commitment to repealing all of the taxes imposed under the ACA. If full repeal of the excise tax is not feasible in this Congress, we would advocate that employee contributions to FSAs and HSAs be exempted from the calculation of this excise tax. The bill you introduced in the last Congress, the Health Savings Act of 2016, included such a provision.

We are hopeful that this legislation will be adopted when this Congress addresses health care reform issues this year. We would welcome the chance to meet and to discuss our position further. Should you have any questions, please do not hesitate to contact Martin Trussell (202.350.1788 or mtrussell@ecfc.org) or Bill Sweetnam (202.465.6397 or wsweetnam@ecfc.org).

Sincerely,



Martin Trussell
Executive Director



William F. Sweetnam, Jr.
Legislative and Technical Director

February 23, 2017

The Honorable Marco Rubio
United States Senate
284 Russell Senate Office Building
Washington DC, 20510

Dear Senator Rubio:

On behalf of the Employers Council on Flexible Compensation (ECFC), we are writing to support your legislation, the Health Savings Act of 2017 (S. 403). Enhancing access to Health Saving Accounts (HSAs) by expanding eligibility rules and increasing the maximum contribution limit and allowing their funds to be used for evolving health care needs and services, helps American families save for and manage their growing health care expenses. We believe that the provisions of this bill should be included in any effort made by Congress to reform the health care system.

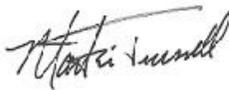
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Executive Director



William F. Sweetnam, Jr.
Legislative and Technical Director

February 23, 2017

The Honorable Erik Paulsen
United States House of Representatives
127 Cannon House Office Building
Washington, DC 20515

Dear Rep Paulsen:

On behalf of the Employers Council on Flexible Compensation (ECFC), we are writing to support your legislation, the Health Savings Act of 2017 (H.R. 1175). Enhancing access to Health Saving Accounts (HSAs) by expanding eligibility rules and increasing the maximum contribution limit and allowing their funds to be used for evolving health care needs and services, helps American families save for and manage their growing health care expenses. We believe that the provisions of this bill should be included in any effort made by Congress to reform the health care system.

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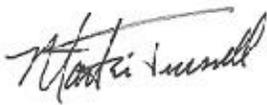
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