

August 4, 2006

The Honorable Charles E. Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

When Congress established health savings accounts (HSAs) in 2003, you provided an innovative new option for making health care coverage more affordable and accessible. By combining low-premium health plan coverage with a portable tax-advantaged health spending account, HSAs encourage more prudent use of health care services while saving for future needs.

Over the past two years, the marketplace response to HSAs has been significant, but could be even greater. By January 2006, enrollment in the low-premium health plans that are used with HSAs grew rapidly to 3.2 million Americans -- a tripling of enrollment in just 10 months. Since more than 30 per cent of these new enrollees previously had no other source of health insurance, HSAs are proving to be particularly important for addressing the needs of uninsured Americans.

Action is now needed by the Finance Committee and the Senate before this Congress adjourns to improve HSAs and accelerate the momentum toward consumer-oriented health plan choices. In particular, we urge that the Senate approve the HSA Improvement and Expansion Act introduced by Senator Orrin Hatch, S. 3585. This bill includes many important and straightforward improvements to HSAs – including some which would likely have little or no revenue effect – and would increase HSA participation in the workplace and the individual insurance marketplace.

We support your efforts to lower health care costs while making our health care system much more responsive to the needs of consumers. Action by this Congress in the fall to improve HSAs is one clear way to advance these important goals for all Americans.

Sincerely,

Aetna
American Bankers Association (HSA
Council)
American Benefits Council
America's Health Insurance Plans
Assurant Health
Blue Cross and Blue Shield Association
Business Roundtable
CIGNA
The Council of Insurance Agents and
Brokers
The Financial Services Roundtable
General Motors

Hewitt Associates LLC
National Business Group on Health
National Association of Health
Underwriters
National Federation of Independent
Business
National Retail Federation
National Restaurant Association
Principal Financial Group
Retail Industry Leaders Association
UnitedHealth Group
U.S. Chamber of Commerce
Wellpoint

cc: Senate Majority Leader William Frist
(continued)

Sen. Lamar Alexander
Sen. George Allen
Sen. Conrad Burns
Sen. Tom Coburn
Sen. John Cornyn
Sen. James DeMint
Sen. Elizabeth Dole
Sen. John Ensign
Sen. Orrin Hatch
Sen. James Inhofe
Sen. Johnny Isakson
Sen. Mel Martinez
Sen. Jeff Sessions