

The HSA Coalition

1747 Pennsylvania Ave. NW, Suite 1000, Washington, DC 20006 www.hsacoalition.org

April 9, 2008

The Honorable John Lewis
Member, Committee on Ways and Means
U.S. House
Washington, D.C. 20510

Dear Congressman Lewis:

This morning at the Ways and Means Committee mark up on H.R. 5719, the “Taxpayer Assistance and Simplification Act of 2008,” the bill contains a provision to force Americans with Health Savings Accounts to pay new and additional monthly fees to corporations so that every expenditure from their Health Savings Account is reviewed, approved and weeks later, paid.

We oppose this provision and urge you to use your good offices to have it removed from the bill before mark-up, or vote for an amendment to strike the provision.

We do not believe you support forcing American taxpayers to be forced to pay 100% increases in administrative fees through a new bureaucracy and system of corporate control over Americans with HSAs, who are spending their own money.

This provision was inserted by Committee staff at the request of Mr. John McManus (a former Chairman Thomas (R-CA) staffer) on behalf of his client, Evolution Benefits, which is in the business of charging monthly fees to review and “substantiate” each purchase of a bottle of Tylenol or aspirin. Evolution Benefits had a process patent issued in 2007 for substantiation.

Evolution Benefits is claiming that its data shows 23% of HSA account holders are using their HSA debit cards at non-health care outlets. In fact, three of the largest banks that hold HSA accounts have reviewed their data and show an average of 2.73% of transactions in this category – many which can be explained by pharmacy or other medically related purchases at places like Wal-Mart. Evolution Benefits data is nearly shows a nearly ten times incidence of expenditures at places it claims are locations that could be non-qualified purchases.

Given the self-interest of Evolution Benefits, and the fact that their incidence is so much higher than three of the largest banks with HSAs, it casts considerable doubt on Evolution Benefits data. (A more detailed discussion of these points can be found at www.hsacoalition.org in the Issues Analysis section.)

Millions of transactions have been conducted by Americans from their Health Savings Accounts, and we are certain that they will be strongly opposed to corporate

interference of how they spend their own money on their health care, and furthermore, will oppose being forced to pay a new monthly fee so some third-party corporation can conduct that interference, because of a new law.

This is especially true since 90% of HSA transactions are electronic, and the companies that would benefit from these new monthly fees conduct 90% of their reviews of expenditures by paper.

Sincerely,

A handwritten signature in black ink, appearing to be 'DP', with a stylized flourish at the end.

Dan Perrin
Executive Director