

Statement from the Consumer Healthcare Products Association

Committee on Ways and Means

Hearing on Lowering Costs and Expanding Access to Health Care through Consumer-Directed Health Plans

Wednesday, June 6, 2018

The Consumer Healthcare Products Association (CHPA) appreciates the opportunity to provide the following statement regarding the Committee on Ways and Means hearing on “Lowering Costs and Expanding Access to Health Care through Consumer-Directed Health Plans”.

Since 1881, CHPA has served as the industry association representing leading manufacturers and marketers of over-the-counter (OTC) medicines in the United States. CHPA member companies produce the vast majority of OTC medicines in our country and provide millions of Americans with safe, effective, and affordable therapies. The availability of self-care treatment options saves money, reduces burdens on the healthcare system, and keeps consumers active and productive.

OTC and prescription medications are regulated for safety and effectiveness by the U.S. Food and Drug Administration (FDA). It is especially important to recognize that OTC medicines are often the frontline or only treatment available to some consumers for many common illnesses or for maintenance of chronic diseases. While not only are OTC medicines the accessible option for both consumers and the U.S. healthcare system, a study conducted by Booz and Co. found that OTC medicines save the U.S. healthcare system \$102 billion every year, and for every dollar spent on OTC medications in the U.S., the healthcare system saves \$6 to \$7.

However, OTC medicine eligibility in tax-preferred accounts was removed in 2011 as one of the first-implemented provisions of the Affordable Care Act (ACA).

Restricting consumers’ ability to utilize their own FSAs and HSAs and other tax-preferred accounts imposes an unfair cost increase on individuals and families at a time when many are struggling financially.

Americans are being asked to fund more of their healthcare expenses through higher deductibles and copays, so it’s more important than ever that cost-effective OTC medicines are treated the same as other eligible medical expenses in tax-preferred healthcare accounts. Restoring OTC eligibility under FSAs and HSAs will help the more than 50 million consumers who use these accounts and who are looking to take greater ownership of their own health through responsible self-care.

Further, this provision contradicts the intent of healthcare reform by increasing expenditures in the healthcare system such as increased physician visits to obtain a prescription for OTC medications. It imposes a medically unnecessary tax and treatment burden on patients, encumbers overworked physicians with unnecessary office visits, all without advancing the quality of healthcare overall. According to a study conducted by the American Osteopathic Association, 65 percent of osteopathic physicians surveyed have been asked by their patients to write prescriptions for OTCs, while 95 percent of osteopaths surveyed believe those patients could have self-treated successfully.

CHPA has been leading a broad national coalition – the Health Choices Coalition (HCC) – advocating for restoration of this important consumer benefit. The HCC includes consumer advocates, policymakers, physicians, dentists, retailers, pharmacies, pharmacists, insurers, drug manufacturers, and various employers.

This Congress, bipartisan, bicameral legislation that would restore the ability of consumers to use their tax-preferred FSAs and HSAs to purchase OTC medicines has been introduced. The legislation, “Restoring Access to Medication Act (RAMA) of 2017” (H.R. 394 and S. 85), was introduced in the Senate by Senators Pat Roberts (R-Kan.) and Heidi Heitkamp (D-N.D.), and in the U.S. House by Representatives Lynn Jenkins (R-Kan.) and Ron Kind (D-Wis.).

This comes on the heels of a vote in the previous Congress, that restored this benefit, enabling Americans to utilize these tax-favored health accounts to purchase over-the-counter medications, which passed the House of Representatives by a vote of 243-164.

CHPA appreciates the opportunity to share our views on this important matter and looks forward to continuing to work with the Committee and with the Congress to restore this benefit on behalf of the millions of Americans who rely on OTC medicines for everyday ailments.