

115TH CONGRESS  
2D SESSION

# H. R. 4978

To amend the Internal Revenue Code of 1986 to permit high-deductible health plans to provide chronic disease prevention services to plan enrollees prior to satisfying their plan deductible.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2018

Mrs. BLACK (for herself and Mr. BLUMENAUER) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to permit high-deductible health plans to provide chronic disease prevention services to plan enrollees prior to satisfying their plan deductible.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; FINDINGS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5       “Chronic Disease Management Act of 2018”.

6       (b) **FINDINGS.**—Congress finds the following:

1           (1) A small number of chronic diseases account  
2 for the majority of health care spending in the  
3 United States.

4           (2) Limited and targeted interventions for  
5 many chronic diseases prevent the need for addi-  
6 tional, more costly therapies associated with un-  
7 treated or unmanaged chronic diseases that lead to  
8 adverse effects on quality of life for patients.

9           (3) These types of chronic care preventive serv-  
10 ices should be encouraged to maximize the effective-  
11 ness and positive outcomes of the care provided  
12 under high-deductible health plans.

13           (4) Section 223(c)(2)(C) of the Internal Rev-  
14 enue Code of 1986 explicitly grants the Secretary of  
15 the Treasury flexibility in defining the scope of pre-  
16 ventive care for purposes of the preventive care safe  
17 harbor. As of the date of introduction of this Act,  
18 the Secretary of the Treasury has refrained from ex-  
19 ercising existing authority under such section to ex-  
20 pand the preventive care safe harbor to include  
21 chronic disease prevention.

22           (5) In the absence of an expansion of the pre-  
23 ventive care safe harbor by the Secretary of the  
24 Treasury, the Chronic Disease Management Act of  
25 2018 would expressly permit high-deductible health

1 plans to provide chronic disease prevention and  
2 treatment, subject to certain limitations, prior to a  
3 plan enrollee having met their plan deductible.

4 (6) Allowing HSA-eligible high-deductible  
5 health plans to cover chronic disease prevention and  
6 treatment on a pre-deductible basis promotes the  
7 concept of Value-Based Insurance Design, which is  
8 an effective tool to improve the quality and reduce  
9 the cost of care for Americans with chronic diseases,  
10 with improved outcomes via increased medication ad-  
11 herence, reduced complications, and decreased emer-  
12 gency department visits.

13 **SEC. 2. CHRONIC DISEASE PREVENTION.**

14 (a) IN GENERAL.—Section 223(c)(2) of the Internal  
15 Revenue Code of 1986 is amended by redesignating sub-  
16 paragraph (D) as subparagraph (E) and by inserting after  
17 subparagraph (C) the following new subparagraph:

18 “(D) SAFE HARBOR FOR ABSENCE OF DE-  
19 DUCTIBLE FOR CARE RELATED TO CHRONIC  
20 CONDITIONS.—A plan shall not fail to be treat-  
21 ed as a high-deductible health plan by reason of  
22 failing to have a deductible for care and pre-  
23 scription medicines related to the treatment of  
24 medically complex chronic conditions which—

1                   “(i) are substantially disabling or life  
2                   threatening,

3                   “(ii) have a high risk of hospitaliza-  
4                   tion or other significant adverse health  
5                   outcomes, and

6                   “(iii) require specialized delivery sys-  
7                   tems across domains of care.”.

8           (b) **EFFECTIVE DATE.**—The amendments made by  
9 this section shall apply to coverage for months beginning  
10 after the date of the enactment of this Act.

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