

December 28, 2018

CC:PA:LPD:PR (REG-136724-17)
Room 5205
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

RE: REG-136724-17 – Health Reimbursement Arrangements and Other Account-Based Group Health Plans; published at Federal Register, Vol. 83, No. 209, October 29, 2018.

Submitted electronically via www.regulations.gov

Dear Deputy Commissioner Wielobob, Assistant Secretary Rutledge, Administrator Verma and Secretary Azar,

UnityPoint Health (“UPH”) appreciates this opportunity to provide feedback on the proposed rule. UPH is one of the nation’s most integrated healthcare systems. Through more than 30,000 employees and our relationships with more than 290 physician clinics, 38 hospitals in metropolitan and rural communities and 15 home health agencies throughout our 9 regions, UPH provides care throughout Iowa, central Illinois and southern Wisconsin. On an annual basis, UPH hospitals, clinics and home health provide a full range of coordinated care to patients and families through more than 6.2 million patient visits. In addition, UPH is actively engaged in numerous initiatives which support population health and value-based care.

UPH works with a broad range of stakeholders who provide health coverage to their employees. Over the past decade, we have worked closely with state and federal policymakers to comply with the ever-changing regulations regarding coverage and scope of benefits with the goal of improving the quality of care for individuals at an affordable cost. While there have been challenges in bringing down costs in the individual market, we are supportive of efforts that make coverage more affordable and provide coverage to a broad-based population. We also believe that empowering states to pursue innovative solutions that promote greater flexibility and choice creates opportunities for lowering costs and is worthwhile.

UPH appreciates the time and effort collectively spent by federal agencies in developing and proposing this rule and respectfully offers the following comments.

GENERAL COMMENTS

The proposed rule extends the tax advantage for traditional employer group insurance (exclusion of premiums, and benefits received, from federal income and payroll taxes) to Health Reimbursement Arrangements (HRA) for individual market insurance premiums. The proposed rule permits employers that offer traditional group coverage to provide an HRA of up to \$1,800 per year (indexed to inflation) to reimburse an employee for certain qualified medical expenses, including stand-alone dental benefits and premiums for a short-term health insurance plan. Among consumer protections are safeguards that mitigate the risk that health-based discrimination could increase adverse selection in the individual market and a mandated disclosure provision to ensure that employees understand the benefit.

- **Comment:** As a healthcare provider, we are committed to facilitating access to healthcare and are supportive of efforts to promote greater employer participation and increase consumer options and affordability via benefit design. The Affordable Care Act (ACA) intended to address several gaps in coverage and treatment. Despite the gains in coverage, the law is still not working as intended. While there is no question that the individual marketplace provides needed and crucial coverage for certain consumers, many Americans are still uninsured and many consumers with marketplace insurance often are not realizing the cost savings or access to quality care that was promised under the ACA. Along with Association Health Plans, we believe that Health Reimbursement Arrangements (HRAs) are potential market-driven solutions that enable employers to offer health coverage alternatives to provide their employees with greater choice and offer affordable options. As proposed, HRAs have the potential to expand coverage options for Midwest employees, including those in the hospitality, farm, and medical industries.

We are pleased to provide comments to the proposed rule. To discuss our comments or for additional information on any of the addressed topics, please contact Sabra Rosener, Vice President, Government and External Affairs at sabra.rosener@unitypoint.org or 515-205-1206.

Sincerely,



Sabra Rosener
VP, Government & External Affairs
UnityPoint Health