ConnectedHealthInitiative

February 11, 2025

The Honorable Vern Buchanan
Chairman
Subcommittee on Health
Committee on Ways and Means
Washington, District of Columbia 20515

The Honorable Lloyd Doggett
Ranking Member
Subcommittee on Health
Committee on Ways and Means
Washington, District of Columbia 20515

The Honorable Jason Smith
Chairman
Committee on Ways and Means
Washington, District of Columbia 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
Washington, District of Columbia 20515

**RE: Hearing titled Modernizing American Health Care: Creating Healthy Options and Better Incentives**

Dear Chairman Buchanan, Ranking Member Doggett, Chairman Smith, and Ranking Member Neal:

Thank you for the opportunity to provide testimony for the record for your hearing before the Subcommittee on Health titled "Modernizing American Health Care: Creating Healthy Options and Better Incentives." I applaud the Committee for taking up such an important topic so early in the 119th Congress. While there are myriad ways to pursue improving the health of Americans, incenting healthy options is a powerful tool to urge positive change. I urge you to consider the uses of wearable health technology as you examine ways that Congress might help incent healthy behavior changes.

The Connected Health Initiative (CHI) is the leading multistakeholder policy and legal advocacy effort dedicated to improving health outcomes while reducing costs. Our work is driven by the consensus of stakeholders from across the connected health ecosystem. CHI aims to realize an environment in which Americans can see improvements in their health through policies that allow for connected health technologies to advance health outcomes and reduce costs. CHI members develop and use connected health technologies across a wide range of use cases. We actively advocate before Congress, numerous U.S. federal agencies, and state legislatures and agencies, where we seek to promote responsible pro-digital health policies and laws in areas including reimbursement/payment, privacy/security, effectiveness/quality assurance, U.S. Food and Drug Administration (FDA) regulation of digital health, health data interoperability, and the

rising role of artificial intelligence (AI) in care delivery. For more information, see www.connectedhi.com.

**Wearable Health Technology Use Cases**

In the last few years, many companies have developed a wide variety of wearable health technology. We have seen some new innovations, like the continuous glucose monitor, make enormous quality of life improvements for people with a specific condition, while others can be used more widely to monitor different aspects of a patient's health.

Wearable health technology can help patients catch new conditions early. In the case of Don Morell, his device was able to find evidence of his atrial fibrillation (AFib) before he would have known.[1] Morell was a healthy army veteran when his Fitbit began to alert him to problems with his heart. The device had detected a state of AFib, a condition in which the upper chambers of the heart do not beat properly and cannot pump blood to the lower chambers of the heart like normal. The condition has several causes and can lead to a variety of concerning implications. Don decided to make an appointment with his primary care doctor, who referred him to a cardiologist. That specialist found an aortic aneurysm—a bulge that occurs in the aorta, blocking proper blood flow and impeding function of different organs. Don now monitors this condition with his doctors and through continued use of his Fitbit.

For Heather Hendershot, heart rate monitoring caught a dangerous and often untreated condition.[2] She credits her Apple Watch with helping find her condition. One night, she received a notification that her heart rate was unusually high—above 120 beats per minute (the average for healthy adults is between 60 and 100 beats per minute while at rest). She says she didn't pay much attention to the alert because she couldn't feel her heart racing, and she was otherwise healthy. However, her husband insisted on a visit to an urgent care clinic the next day. Doctors eventually admitted her to the hospital and diagnosed her with hyperthyroidism. This condition, where the thyroid produces excess thyroxine hormones, can be life-threatening if left untreated. Heather says she would not have caught the condition without the Apple Watch alerts.

Rachael Kabala was an active and healthy woman who had been using Fitbits to track her health data for several years before she became pregnant.[3] During her pregnancy, she noticed that her resting heart rate—generally a low 54 beats per minute on average—had begun to fluctuate and was averaging 58 beats per minute. After the birth of her child, she saw her heart rate drop

[1] Fitbit detects aFib and leads to aortic aneurysm detection
[2] High heart rate detection leads to hyperthyroidism diagnosis
[3] Fitbit helps diagnose post-partum preeclampsia

back down to 53 beats per minute, but it didn't stop there. Her heart rate dropped to an average in the low 40s, and she began to feel her heart pounding. This was concerning enough that she checked her blood pressure, which was in the hypertension range. She went back to the hospital just two days after discharge following the birth of her child and received a diagnosis of postpartum preeclampsia. This life-threatening condition can lead to seizures, strokes, and organ damage when left untreated. Now, Rachael uses her Fitbit to continue tracking her heart rate and other measures to get a picture of her overall health.

All of these patients used their wearable health technology to diagnose medical conditions with the help of their doctors. They and many others continue to use wearable devices to monitor and treat health conditions with fewer doctor visits and more fine-tuned control. More widespread use of wearable health technology would help patients to better understand their health conditions, reduce doctor visits, and allow more personalized care.

**The WEAR IT Act**

In the 118th Congress, Representatives Michelle Steel, Ami Bera, and David Schweikert introduced H.R. 6279, the Wearable Equipment Adoption Reinforcement and Investment in Technology (WEAR IT) Act. The bill, which Representatives Sheila Cherfilus-McCormick and Troy Balderson also cosponsored, would clarify that wearable health devices and their associated software are eligible for reimbursement through flexible spending accounts (FSAs) and health savings accounts (HSAs). As long as the devices and software are used to diagnose, cure, mitigate, prevent, or treat a health condition through the collection and analysis of physiologic data, patients would be able purchase the items with their FSA or HSA up to $375 per device. CHI supports this bill because of its potential to improve healthcare and reduce costs for patients and the federal government.

The WEAR IT Act would help by expanding HSA/FSA coverage to include certain wearable devices that track multiple parameters and use physiological data to diagnose, cure, mitigate, treat, or prevent diseases and conditions for more than a single purpose, up to $375 per device. For many of CHI's members—which includes small health technology companies—the current path to coverage under HSA and FSA is too costly and byzantine to be a viable option. They need the WEAR IT Act to cut through the red tape surrounding HSA and FSA coverage to ensure their innovative products can reach the patients who need them.

**A Better Use for FSA and HSA Funds**

Millions of Americans have FSAs or HSAs. These accounts mainly benefit middle income earners. For example, about 32.5 million Americans have HSA accounts (which can also cover family

members), and approximately 69 percent of account holders earn between $30,000 and $90,000 per year, and 78 percent of them earn less than $100,000 annually.[4]

FSAs are also popular, with many of the nation's largest employers like Walmart offering them to employees.[5] However, they can be put to better use. Workers collectively lost up to $4.2 billion from their paychecks in 2020[6] because they failed to spend the money on FSA-eligible items before the end of the year. This money does not revert back to the individual, nor does it go back to the Treasury. Instead, unspent funds go directly to the individual's employer, making the $4.2 billion a massive transfer of funds from workers to workplaces. This mismatch between savings and expenditures is due in part because Internal Revenue Service (IRS) rules have struggled to keep pace with new digital health technologies.

Currently, HSA- and FSA-eligible devices are generally limited to single-use devices. As a result, current IRS policy only recognizes a few wearable devices as eligible: WHOOP (a fitness tracker), Oura Ring (a sleep tracker), and Aura Strap 2 (a body composition tracker). Unfortunately, this case-by-case approach encourages the purchase of several separate covered devices marketed for single functions instead of a single device that has multiple functions. However, there is growing support for HSA/FSA coverage of wearable devices that track multiple parameters and have multiple marketed health functions. As health technology evolves, there is an opportunity to address the needs of patients and their caregivers who need devices that can track multiple parameters, such as heart rate, pulse oximetry, blood glucose, EKG, and activity levels, which are directly linked to chronic conditions and diseases such as COPD, heart failure, diabetes, atrial fibrillation, and hearing loss.

While other, legacy technologies are FSA and HSA eligible, multi-functional devices with cutting-edge technology are being left out unless their developers have the significant resources necessary to make it through the IRS coverage process. Congress must streamline the coverage of wearable health devices to better incent patient health and reduce costs for consumers.

**Addressing the Physician Shortage**

The statistics on physician and provider shortages are grim. The American Association of Medical Colleges (AAMC) estimates that by 2036, there will be a shortage of as many as 86,000 physicians.[7] And according to a different AAMC study, if unserved and underserved communities had healthcare usage patterns like those of adequately-served communities, the

[4] https://www.devenir.com/wp-content/uploads/2021-Devenir-and-HSA-Council-Demographic-Report.pdf
[5] https://corporate.walmart.com/content/dam/corporate/documents/about/working-at-walmart/benefits.pdf
[6] https://money.com/fsa-contributions-workers-forfeit-money/
[7] https://www.aamc.org/news/press-releases/new-aamc-report-shows-continuing-projected-physician-shortage

gap would grow to over 100,000 physicians.[8] This shortage will continue to make healthcare more expensive and harder to access, especially in currently unserved and underserved areas. We need a whole-of-government approach to solving this problem, along with significant private sector investment. Bills like the WEAR IT Act will help address some of the shortage issues by allowing patients better access to health metrics and empowering those patients to better understand their health.

Digital medicine and telehealth services are a clear value add to the provision of healthcare services, especially in rural areas. The use of wearable health technology in rural and underserved settings will help patients and providers by collecting more detailed information that can improve detection, treatment, and management especially for chronic conditions and patients at risk of developing them. This could be life-changing for patients who live far from their doctors, especially as the physician shortage continues to worsen. Chronic care management, another important issue for Congress and your Committees, is also an area where wearable health technology will help to address issues from the physician shortage.

**Supporting the Transition to Value-Based Care**

One of the most important reasons to include the WEAR IT Act in any conversation about improving healthy options for patients is its ability to support the transition to value-based care. Our current fee-for-service model does not allow physicians and other providers to focus on things that will actually help control costs while improving access to and quality of care, like preventive medicine. The WEAR IT Act would allow patients to take advantage of existing dollars that they have put aside to spend on healthcare and use those dollars to take better control of their health. If the $4.2 billion that is lost from FSAs every year were better used, we would have a powerful tool in addressing healthcare cost issues.

The WEAR IT Act would also help to future-proof our healthcare system. Since it does not call out any specific healthcare technologies, WEAR IT will continue to cover cutting-edge innovation for years to come. According to the bill text, the covered technology must collect and analyze physiologic data to "diagnose, cure, prevent, mitigate, or treat" a medical condition, which is consistent with current statute. These devices often work better than legacy devices,[9] and are easier and more user-friendly for patients. As the variety of technologies on the market continues increase, the WEAR IT Act will help FSA and HSA account holders access new innovations that help improve their lives.

**Conclusion**

[8] https://digirepo.nlm.nih.gov/master/borndig/9918417887306676/9918417887306676.pdf
[9] https://www.ncoa.org/adviser/medical-alert-systems/apple-watch-medical-alert-review/

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While the Committee could address the goal of modernizing American healthcare in several ways, I believe the WEAR IT Act is an important step towards a healthier, value-focused future for our country. I urge you to consider the WEAR IT Act as part of the conversation around incenting healthy options for patients.

Sincerely,

Brian Scarpelli
Executive Director
Connected Health Initiative