

# The Wearable Equipment Adoption and Reinforcement and Investment in Technology (WEAR IT) Act



Millions of Americans use flexible spending accounts or health savings accounts (FSAs and HSAs). These tax-exempt funds are set aside from an employee's paycheck into an account to spend on certain qualified health expenses. Currently, you can spend HSA and FSA funds on items like:

- SPF 30+ sunscreen
- Neck pillows
- Blood pressure cuffs
- Electrocardiogram (EKG) monitors



However, HSAs and FSAs generally do not cover devices, apps, or software platforms that perform more than one function. For example, if a wearable device collects blood oximetry data via a sensor and an app, but it is also capable of capturing an EKG reading, amounts spent on the device are not tax-exempt under an FSA or HSA.

Early on in the pandemic, Congress came a long way on telehealth by temporarily lifting the **Section 1834(m) restrictions** as part of the **Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748)**.

However, this is not enough: Americans, particularly those living with chronic conditions, must be able to monitor their health from home. According to the Centers for Disease Control and Prevention (CDC), **six in ten American adults live with at least one chronic condition including heart disease and stroke, diabetes, and cancer**. Moreover, these are the leading causes of death in the United States and put Americans at greater risk of serious complications from COVID-19.

# The Wearable Equipment Adoption and Reinforcement and Investment in Technology (WEAR IT) Act



## The WEAR It Act Would Modernize the Law by Covering the Following Types of Devices and Associated Software Apps and Platforms:

- Blood glucose monitors that connect to smart devices via an app;
- Sleep trackers;
- Ingestion tracking, for medication adherence; and
- EKG monitors that are part of wearable devices with other functions.

## Why Support the WEAR IT Act?

### New Technologies Have Helped Make Chronic Conditions More Manageable and Preventable:

- Patients can, in tandem with their provider, participate in remote patient monitoring (RPM) where their clinician can offer feedback in real-time to fluctuating physiological metrics such as A1C levels or heart rate.
- Multi-function devices and their associated software components are well suited for consumers who want to track more than one health-related variable.
- A United Healthcare wellness program where consumers have incentives to track their movement, exercise, and related metrics [saved \\$222 per year per person in medical costs](#).
- Another study [conducted by the New York Institute of Technology in 2018](#) concludes that the use of wearables significantly increases physical activity and improves body composition.

# The Wearable Equipment Adoption and Reinforcement and Investment in Technology (WEAR-IT) Act



## Wearable Devices Can be Used as a Complement to COVID-19 Testing:

- Compounding the prevalence of chronic conditions among Americans is evidence that people with these conditions are at increased risk of serious complications or even death from COVID-19—[three recent studies](#) report that among U.S. COVID-19 patients requiring hospitalization and ICU admission, underlying medical conditions are highly prevalent.
- In fact, one of these analyses found that **hospitalizations were six times higher, ICU admissions five times higher, and deaths 12 times higher among patients with underlying medical conditions, compared with those without.**
- There's also evidence that **wearables can track early COVID-19 symptoms** such as individual changes in resting heart rates (RHRs) as well as sleep and activity levels—and based on these findings, [professional sports leagues are distributing wearables](#) for athletes to closely monitor these metrics to catch COVID-19 infections as early as possible.

When it comes to providing a tax advantage for items consumers already want, a little can go a long way. Congress should pass legislation to solve this inequity and clarify that consumers can use their FSAs or HSAs to purchase devices, software, and platforms that collect and analyze physiological data.