

115TH CONGRESS
2D SESSION

H. R. 6317

To amend the Internal Revenue Code of 1986 to provide that direct primary care service arrangements do not disqualify deductible health savings account contributions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2018

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

A BILL

To amend the Internal Revenue Code of 1986 to provide that direct primary care service arrangements do not disqualify deductible health savings account contributions, and for other purposes.

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. TREATMENT OF DIRECT PRIMARY CARE SERV-**
4 **ICE ARRANGEMENTS.**

5 (a) IN GENERAL.—Section 223(c)(1) of the Internal
6 Revenue Code of 1986 is amended by adding at the end
7 the following new subparagraph:

1 “(D) TREATMENT OF DIRECT PRIMARY
2 CARE SERVICE ARRANGEMENTS.—

3 “(i) IN GENERAL.—A direct primary
4 care service arrangement shall not be
5 treated as a health plan for purposes of
6 subparagraph (A)(ii).

7 “(ii) DIRECT PRIMARY CARE SERVICE
8 ARRANGEMENT.—For purposes of this
9 paragraph—

10 “(I) IN GENERAL.—The term ‘di-
11 rect primary care service arrange-
12 ment’ means, with respect to any indi-
13 vidual, an arrangement under which
14 such individual is provided medical
15 care (as defined in section 213(d))
16 consisting solely of primary care serv-
17 ices (as defined in section
18 1833(x)(2)(B) of the Social Security
19 Act) provided by primary care practi-
20 tioners (as defined in section
21 1833(x)(2)(A) of the Social Security
22 Act, determined without regard to
23 clause (ii) thereof), if the sole com-
24 pensation for such care is a fixed peri-
25 odic fee.

1 “(II) LIMITATION.—With respect
2 to any individual for any month, such
3 term shall not include any arrange-
4 ment if the aggregate fees for all di-
5 rect primary care service arrange-
6 ments (determined without regard to
7 this subclause) with respect to such
8 individual for such month exceed
9 \$150 (twice such dollar amount in the
10 case of an individual with any direct
11 primary care service arrangement (as
12 so determined) that covers more than
13 one individual).

14 “(iii) CERTAIN SERVICES SPECIFI-
15 CALLY EXCLUDED FROM TREATMENT AS
16 PRIMARY CARE SERVICES.—For purposes
17 of this paragraph, the term ‘primary care
18 services’ shall not include—

19 “(I) procedures that require the
20 use of general anesthesia,

21 “(II) prescription drugs (other
22 than vaccines), and

23 “(III) laboratory services not
24 typically administered in an ambula-
25 tory primary care setting.

1 The Secretary, after consultation with the
2 Secretary of Health and Human Services,
3 shall issue regulations or other guidance
4 regarding the application of this clause.”.

5 (b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT
6 FEES TREATED AS MEDICAL EXPENSES.—Section
7 223(d)(2)(C) is amended by striking “or” at the end of
8 clause (iii), by striking the period at the end of clause (iv)
9 and inserting “, or”, and by adding at the end the fol-
10 lowing new clause:

11 “(v) any direct primary care service
12 arrangement.”.

13 (c) INFLATION ADJUSTMENT.—Section 223(g)(1) of
14 such Code is amended—

15 (1) by striking “and (c)(2)(A)” and inserting “,
16 (c)(1)(D)(ii)(II), and (c)(2)(A)”, and

17 (2) in subparagraph (B), by striking “clause
18 (ii)” and inserting “clauses (ii) and (iii)” in clause
19 (i), by striking “and” at the end of clause (i), by
20 striking the period at the end of clause (ii) and in-
21 serting “, and”, and by inserting after clause (ii) the
22 following new clause:

23 “(iii) in the case of the dollar amount
24 in subsection (c)(1)(D)(ii)(II) for taxable

1 years beginning in calendar years after
2 2019, ‘calendar year 2018’.”.

3 (d) REPORTING OF DIRECT PRIMARY CARE SERVICE
4 ARRANGEMENT FEES ON W-2.—Section 6051(a) of such
5 Code is amended by striking “and” at the end of para-
6 graph (16), by striking the period at the end of paragraph
7 (17) and inserting “, and”, and by inserting after para-
8 graph (17) the following new paragraph: .

9 “(18) in the case of a direct primary care serv-
10 ice arrangement (as defined in section
11 223(c)(1)(D)(ii)) which is provided in connection
12 with employment, the aggregate fees for such ar-
13 rangement for such employee.”.

14 (e) EFFECTIVE DATE.—The amendments made by
15 this subsection shall apply to months beginning after De-
16 cember 31, 2018, in taxable years ending after such date.

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