116TH CONGRESS  1ST SESSION  

S. 2999  

To amend the Internal Revenue Code of 1986 to allow individuals with direct primary care service arrangements to remain eligible individuals for purposes of health savings accounts.

IN THE SENATE OF THE UNITED STATES  

DECEMBER 9, 2019  

Mr. Cassidy (for himself, Mr. Jones, Mr. Moran, and Mrs. Shaheen) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL  

To amend the Internal Revenue Code of 1986 to allow individuals with direct primary care service arrangements to remain eligible individuals for purposes of health savings accounts.

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,  
SECTION 1. SHORT TITLE.  
This Act may be cited as the “Primary Care Enhancement Act of 2019”.
SEC. 2. TREATMENT OF DIRECT PRIMARY CARE SERVICE ARRANGEMENTS.

(a) In General.—Section 223(e)(1) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(D) Treatment of direct primary care service arrangements.—

“(i) In general.—A direct primary care service arrangement shall not be treated as a health plan for purposes of subparagraph (A)(ii).

“(ii) Direct primary care service arrangement.—For purposes of this paragraph—

“(I) In general.—The term ‘direct primary care service arrangement’ means, with respect to any individual, an arrangement under which such individual is provided medical care (as defined in section 213(d)) consisting solely of primary care services provided by primary care practitioners (as defined in section 1833(x)(2)(A) of the Social Security Act, determined without regard to clause (ii) thereof), if the sole com-
pensation for such care is a fixed peri-
odic fee.

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

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

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

“(II) laboratory services not typi-
cally administered in an ambulatory primary care setting.
The Secretary, after consultation with the Secretary of Health and Human Services, shall issue regulations or other guidance regarding the application of this clause.”.

(b) **Direct Primary Care Service Arrangement Fees Treated as Medical Expenses.**—Section 223(d)(2)(C) is amended by striking “or” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, or”, and by adding at the end the following new clause:

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

(c) **Inflation Adjustment.**—Section 223(g)(1) of such Code is amended—

(1) by inserting “, (c)(1)(D)(ii)(II),” after “(b)(2),” each place such term appears, and

(2) in subparagraph (B), by inserting “and (iii)” after “clause (ii)” in clause (i), by striking “and” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, and”, and by inserting after clause (ii) the following new clause:

“(iii) in the case of the dollar amount in subsection (e)(1)(D)(ii)(II) for taxable years beginning in calendar years after 2020, ‘calendar year 2019’.”.
(d) Reporting of Direct Primary Care Service Arrangement Fees on W-2.—Section 6051(a) of such Code is amended by striking “and” at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting “, and”, and by inserting after paragraph (17) the following new paragraph:

“(18) in the case of a direct primary care service arrangement (as defined in section 223(e)(1)(D)(ii)) which is provided in connection with employment, the aggregate fees for such arrangement for such employee.”.

(e) Effective Date.—The amendments made by this section shall apply to months beginning after December 31, 2019, in taxable years ending after such date.