

117TH CONGRESS  
1ST SESSION

# H. R. 4301

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, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2021

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

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## 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, 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. SHORT TITLE.**

4 This Act may be cited as the “Primary Care En-  
5 hancement Act of 2021”.

1 **SEC. 2. TREATMENT OF DIRECT PRIMARY CARE SERVICE**  
2 **ARRANGEMENTS.**

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

6 “(D) TREATMENT OF DIRECT PRIMARY  
7 CARE SERVICE ARRANGEMENTS.—

8 “(i) IN GENERAL.—A direct primary  
9 care service arrangement shall not be  
10 treated as a health plan for purposes of  
11 subparagraph (A)(ii).

12 “(ii) DIRECT PRIMARY CARE SERVICE  
13 ARRANGEMENT.—For purposes of this  
14 paragraph—

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

1                   pensation for such care is a fixed peri-  
2                   odic fee.

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

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

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

23                         “(II) prescription drugs (other  
24                         than vaccines), and

1                   “(III) laboratory services not  
2                   typically administered in an ambula-  
3                   tory primary care setting.

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

8                   (b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT  
9 FEES TREATED AS MEDICAL EXPENSES.—Section  
10 223(d)(2)(C) of such Code is amended by striking “or”  
11 at the end of clause (iii), by striking the period at the  
12 end of clause (iv) and inserting “, or”, and by adding at  
13 the end the following new clause:

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

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

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

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

1                   “(iii) in the case of the dollar amount  
2                   in subsection (c)(1)(D)(ii)(II) for taxable  
3                   years beginning in calendar years after  
4                   2022, ‘calendar year 2021’.”.

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

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

16           (e) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to months beginning after Decem-  
18 ber 31, 2021, in taxable years ending after such date.

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