



H.R. 1270: Restoring Access to Medication Act of 2015, Rules Committee Print (Jenkins, R-KS)

CONTACT: [Rebekah Armstrong](mailto:Rebekah.Armstrong@rsc.house.gov), 202-226-0678

FLOOR SCHEDULE:

June 23, 2016 under a closed [rule](#) that provides for one hour of debate.

TOPLINE SUMMARY:

[H.R. 1270](#) would make several changes to health savings accounts (HSA) that would make the accounts easier and more advantageous to use.

COST:

The [Congressional Budget Office](#) (CBO) estimates this bill would have a net decrease of \$2.2 billion over fiscal years 2016-2026.

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

Created in 2003 as part of the [Medicare Prescription Drug, Improvement and Modernization Act](#) (MMA), a HSA is a tax-advantaged medical account for individuals enrolled in a high-deductible health plan (HDHP). Funds contributed to a HSA roll over and accumulate each year, and are not subject federal income tax at the time of deposit. If used for [qualified medical expenses](#), there is no tax liability when these funds are withdrawn and spent. Conservatives have long known that consumer-directed health plans, such as HSAs, bend the cost curve because of a better use of resources coupled with more cost-conscious decision making.

First, this bill would remove the [requirement](#) that only prescription medications or over-the-counter medications purchased with a prescription would be considered a qualifying medical expense for HSA purposes. This reimbursement requirement was included as part of the Patient Protection and Affordable Care Act (PPACA).

Next, this bill would allow eligible spouses to make catch-up contributions to a single HSA. [Currently](#), the IRS views spouses as one tax unit; therefore, maximum contribution requirements apply even if each spouse has their own HDHP and corresponding HSA. In addition, if both spouses are eligible for an HSA they must contribute to their individual HSA instead of a joint account. This bill would streamline the

operation of HSAs to allow spouses eligible for catch-up contributions to divide the annual contribution limit amounts of both spouses. This would allow the combined basic and catch-up contributions to be allocated to only one account.

This bill would allow certain expenses incurred after enrolling in a HDHP, but prior to establishing an HSA (as long as it is within 60 days), to be deemed as qualified medical expenses. Medical expenses in the 60-day window would be treated as if the HSA was established on the date of enrollment in the HDHP.

In 2016, the annual HSA contribution limit for an individual was \$3,350 and \$6,750 for a family. This bill would increase the maximum contribution to an HSA to the annual deductible and out-of-pocket limitation for a HDHP. In 2017, the limit would increase to \$6,500 for an individual and \$13,100 for a family.

Finally, the bill would amend provisions of the Internal Revenue Code to recoup overpayments from premium assistance under the PPACA.

Many of these provisions related to HSAs can be found in RSC's American Health Care Reform Act.

OUTSIDE GROUP SUPPORT:

- [Americans for Tax Reform](#)
- [National Taxpayers Union](#)
- U.S. Chamber of Commerce

COMMITTEE ACTION:

This bill was introduced by Representative Jenkins and referred to the House Committee Ways and Means. The committee held a mark-up and bill was reported out, as amended, by voice vote.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available at this time.

CONSTITUTIONAL AUTHORITY:

According to the sponsor, Congress has the power to enact this legislation pursuant to the following: The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States.

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