

Union Calendar No. 660

115TH CONGRESS
2^D SESSION

H. R. 6317

[Report No. 115–852]

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

JULY 19, 2018

Additional sponsor: Mr. SMUCKER

JULY 19, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on July 10, 2018]

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. SHORT TITLE.**

4 *This Act may be cited as the “Primary Care Enhance-*
 5 *ment Act of 2018”.*

6 **SEC. 2. TREATMENT OF DIRECT PRIMARY CARE SERVICE**

7 **ARRANGEMENTS.**

8 *(a) IN GENERAL.—Section 223(c)(1) of the Internal*
 9 *Revenue Code of 1986 is amended by adding at the end*
 10 *the following new subparagraph:*

11 *“(D) TREATMENT OF DIRECT PRIMARY*
 12 *CARE SERVICE ARRANGEMENTS.—*

13 *“(i) IN GENERAL.—A direct primary*
 14 *care service arrangement shall not be treat-*
 15 *ed as a health plan for purposes of subpara-*
 16 *graph (A)(ii).*

17 *“(ii) DIRECT PRIMARY CARE SERVICE*
 18 *ARRANGEMENT.—For purposes of this para-*
 19 *graph—*

20 *“(I) IN GENERAL.—The term ‘di-*
 21 *rect primary care service arrangement’*
 22 *means, with respect to any individual,*
 23 *an arrangement under which such in-*
 24 *dividual is provided medical care (as*
 25 *defined in section 213(d)) consisting*

1 solely of primary care services (as de-
2 fined in section 1833(x)(2)(B) of the
3 Social Security Act) provided by pri-
4 mary care practitioners (as defined in
5 section 1833(x)(2)(A) of the Social Se-
6 curity Act, determined without regard
7 to clause (ii) thereof), if the sole com-
8 pensation for such care is a fixed peri-
9 odic fee.

10 “(II) *LIMITATION.*—With respect
11 to any individual for any month, such
12 term shall not include any arrange-
13 ment if the aggregate fees for all direct
14 primary care service arrangements (de-
15 termined without regard to this sub-
16 clause) with respect to such individual
17 for such month exceed \$150 (twice such
18 dollar amount in the case of an indi-
19 vidual with any direct primary care
20 service arrangement (as so determined)
21 that covers more than one individual).

22 “(iii) *CERTAIN SERVICES SPECIFI-*
23 *CALLY EXCLUDED FROM TREATMENT AS*
24 *PRIMARY CARE SERVICES.*—For purposes of

1 *this paragraph, the term ‘primary care*
2 *services’ shall not include—*

3 *“(I) procedures that require the*
4 *use of general anesthesia,*

5 *“(II) prescription drugs (other*
6 *than vaccines), and*

7 *“(III) laboratory services not*
8 *typically administered in an ambula-*
9 *tory primary care setting.*

10 *The Secretary, after consultation with the*
11 *Secretary of Health and Human Services,*
12 *shall issue regulations or other guidance re-*
13 *garding the application of this clause.”.*

14 *(b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT*
15 *FEES TREATED AS MEDICAL EXPENSES.—Section*
16 *223(d)(2)(C) is amended by striking “or” at the end of*
17 *clause (iii), by striking the period at the end of clause (iv)*
18 *and inserting “, or”, and by adding at the end the following*
19 *new clause:*

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

22 *(c) INFLATION ADJUSTMENT.—Section 223(g)(1) of*
23 *such Code is amended—*

1 (1) by striking “and (c)(2)(A)” each place it ap-
2 pears and inserting “; (c)(1)(D)(ii)(II), and
3 (c)(2)(A)”, and

4 (2) in subparagraph (B), by striking “clause
5 (ii)” and inserting “clauses (ii) and (iii)” in clause
6 (i), by striking “and” at the end of clause (i), by
7 striking the period at the end of clause (ii) and in-
8 serting “, and”, and by inserting after clause (ii) the
9 following new clause:

10 “(iii) in the case of the dollar amount
11 in subsection (c)(1)(D)(ii)(II) for taxable
12 years beginning in calendar years after
13 2019, ‘calendar year 2018’.”.

14 (d) *REPORTING OF DIRECT PRIMARY CARE SERVICE*
15 *ARRANGEMENT FEES ON W-2.*—Section 6051(a) of such
16 Code is amended by striking “and” at the end of paragraph
17 (16), by striking the period at the end of paragraph (17)
18 and inserting “, and”, and by inserting after paragraph
19 (17) the following new paragraph: .

20 “(18) in the case of a direct primary care service
21 arrangement (as defined in section 223(c)(1)(D)(ii))
22 which is provided in connection with employment, the
23 aggregate fees for such arrangement for such em-
24 ployee.”

1 (e) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to months beginning after December 31,*
3 *2018, in taxable years ending after such date.*

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