

115TH CONGRESS
1ST SESSION

S. 1358

To amend the Internal Revenue Code of 1986 to provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 2017

Mr. CASSIDY (for himself and Ms. CANTWELL) 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 provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

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 2017”.

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

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

6 “(6) TREATMENT OF DIRECT PRIMARY CARE
 7 SERVICE ARRANGEMENTS.—An arrangement under
 8 which an individual is provided coverage restricted to
 9 primary care services in exchange for a fixed peri-
 10 odic fee or payment for such services—

11 “(A) shall not be treated as a health plan
 12 for purposes of paragraph (1)(A)(ii), and

13 “(B) shall not be treated as insurance for
 14 purposes of subsection (d)(2)(B).”.

15 (b) EFFECTIVE DATE.—The amendment made by
 16 this section shall apply to taxable years beginning after
 17 the date of the enactment of this Act.

18 **SEC. 3. CERTAIN PROVIDER FEES TO BE TREATED AS MED-**
 19 **ICAL CARE.**

20 (a) IN GENERAL.—Section 213(d) of the Internal
 21 Revenue Code of 1986 is amended by adding at the end
 22 the following new paragraph:

23 “(12) PERIODIC PROVIDER FEES.—The term
 24 ‘medical care’ shall include periodic fees paid for a
 25 defined set of primary care medical services provided
 26 on an as-needed basis.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

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