

116TH CONGRESS  
1ST SESSION

# H. R. 3796

To amend the Internal Revenue Code of 1986 to provide that coverage under Medicare is permissible for purposes of contributions to health savings accounts.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2019

Mr. BERA (for himself and Mr. SMITH of Missouri) 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 provide that coverage under Medicare is permissible for purposes of contributions to health savings accounts.

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 “Health Savings for  
5 Seniors Act”.

6 **SEC. 2. COVERAGE UNDER MEDICARE PERMISSIBLE FOR**  
7 **PURPOSES OF CONTRIBUTIONS TO HEALTH**  
8 **SAVINGS ACCOUNTS.**

9 (a) MEDICARE MADE AN HSA-ELIGIBLE PLAN.—

1           (1) IN GENERAL.—Subparagraph (A) of section  
2       223(c)(2) of the Internal Revenue Code of 1986 is  
3       amended to read as follows:

4           “(A) IN GENERAL.—The term ‘HSA-quali-  
5       fied health plan’ means—

6           “(i) a health plan—

7           “(I) which has an annual deduct-  
8       ible which is not less than—

9           “(aa) \$1,000 for self-only  
10       coverage, and

11          “(bb) twice the dollar  
12       amount in item (aa) for family  
13       coverage, and

14          “(II) the sum of the annual de-  
15       ductible and the other annual out-of-  
16       pocket expenses required to be paid  
17       under the plan (other than for pre-  
18       miums) for covered benefits does not  
19       exceed—

20          “(aa) \$5,000 for self-only  
21       coverage, and

22          “(bb) twice the dollar  
23       amount in item (aa) for family  
24       coverage, and

1 “(ii) in the case of an individual en-  
2 rolled under title XVIII of the Social Secu-  
3 rity Act, coverage under title XVIII of  
4 such Act.”.

5 (2) ELIGIBLE INDIVIDUAL.—Paragraph (1) of  
6 section 223(c) of such Code is amended by adding  
7 at the end the following:

8 “(D) SPECIAL RULE FOR INDIVIDUALS EN-  
9 ROLLED IN MEDICARE.—An individual enrolled  
10 under title XVIII of the Social Security Act  
11 shall not fail to be treated as an eligible indi-  
12 vidual for any period merely because the indi-  
13 vidual during such period is covered under a  
14 health plan described in subclauses (I) and (II)  
15 of subparagraph (A)(ii).”.

16 (3) EXCLUSION OF MEDICARE PREMIUMS AS  
17 QUALIFIED MEDICAL EXPENSE.—Subparagraph (C)  
18 of section 223(d)(2) of such Code is amended by in-  
19 serting “or” at the end of clause (ii), by striking  
20 “or” at the end of clause (iii) and inserting a period,  
21 and by striking clause (iv).

22 (4) REPEAL OF EXCEPTION TO ADDITIONAL  
23 TAX AFTER MEDICARE ELIGIBILITY.—Paragraph (4)  
24 of section 223(f) of such Code is amended by strik-  
25 ing subparagraph (C).

1 (5) ADDITIONAL CONFORMING AMENDMENTS.—

2 (A) IN GENERAL.—Section 223 of such  
3 Code is amended by striking “high deductible  
4 health plan” each place it appears in the text  
5 and inserting “HSA-qualified health plan”.

6 (B) CONFORMING AMENDMENTS.—

7 (i) The heading for paragraph (2) of  
8 section 223(c) of such Code is amended by  
9 striking “HIGH DEDUCTIBLE HEALTH  
10 PLAN” and inserting “HSA-QUALIFIED  
11 HEALTH PLAN”.

12 (ii) Section 408(d)(9) of such Code is  
13 amended—

14 (I) by striking “high deductible  
15 health plan” each place it appears in  
16 the text in subparagraph (C) and in-  
17 serting “HSA-qualified health plan”;  
18 and

19 (II) by striking “HIGH DEDUCT-  
20 IBLE HEALTH PLAN” in the heading  
21 of subparagraph (D) and inserting  
22 “HSA-QUALIFIED HEALTH PLAN”.

23 (iii) Section 106(e) of such Code is  
24 amended—

1 (I) by striking “HIGH DEDUCT-  
2 IBLE HEALTH PLAN” in the heading  
3 of paragraph (3) and inserting “HSA-  
4 QUALIFIED HEALTH PLAN”; and

5 (II) by striking “high deductible  
6 health plan” in paragraph (5)(B)(ii)  
7 and inserting “HSA-qualified health  
8 plan”.

9 (b) REPEAL OF MEDICARE LIMITATION ON DEDUC-  
10 TION FOR CONTRIBUTIONS.—

11 (1) IN GENERAL.—Subsection (b) of section  
12 223 of such Code is amended by striking paragraph  
13 (7) and redesignating paragraph (8) as paragraph  
14 (7).

15 (2) CONFORMING AMENDMENT.—Section  
16 26(b)(2)(S) of such Code is amended by striking  
17 “223(b)(8)(B)(i)(II),” and inserting  
18 “223(b)(7)(B)(i)(II),”.

19 (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 the date of the enactment of this Act.

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