

Direct Primary Care LEGISLATION

THE PRIMARY CARE ENHANCEMENT ACT

The **bipartisan** Primary Care Enhancement Act was passed by the Ways and Means Committee on **September 28, 2023.**

Please **Co-Sponsor H.R. 3029/S.628** and ask leadership to include this important primary care reform in a **healthcare package this year!**

MAKE DPC COMPATIBLE WITH HDHP/HSA PLANS



A 2023 study shows that **more than half of all Americans are enrolled in High Deductible Health Plans (HDHP)** that are linked to a Health Savings Account (HSA). **But current IRS rules prohibit HSA holders from having a Direct Primary Care agreement because IRS treats DPC as a form of health insurance, or “other” coverage that makes individuals with an HDHP ineligible to fund an HSA.** No matter what you think about HSAs or HDHPs, their impact has created a major federal stumbling block for Americans who need better access to primary care. DPC provides individuals with seamless access to a primary care physician of their choice, in an arrangement that many employers are willing to pay for. The IRS rules were established back in 2003, and have never been changed. **It's time to change these antiquated rules today.**



HOW CAN DPC HELP AMERICANS ACCESS BETTER PRIMARY CARE?

As Americans are feeling the strain caused by a post-pandemic **shortage in primary care**, DPC arrangements can provide primary care medical services in any setting—in the clinic or using virtual care—without the presence of insurance copays or deductibles as a barrier to access; usually for less than the cost of a monthly cell phone bill. **Patients love DPC** because they get access to a physician of their choice who knows their name and history without spending an entire visit looking at a computer screen to understand why they are here. **Doctors love it** because they get to practice medicine the way they were trained without having to memorize 10,969 billing codes that describe the medical procedures. **Employers love it** because they can offer DPC as part of a health benefit that employees love and value. Furthermore, a **2020 Milliman Study for the Society of Actuaries says that employers who offer DPC as a part of a health benefit had almost 20% lower claim costs than employees who just had health insurance.**

PRIMARY CARE ENHANCEMENT ACT AS AN IRS SOLUTION



The **Primary Care Enhancement Act (H.R. 3029/S.628)** fixes these antiquated IRS rules (26 U.S. Code § 223 (c)) with a simple correction to the Internal Revenue Code that creates an exception for high value DPC arrangements to rules that are now improperly defined as a health plan making an individual ineligible to fund an HSA. The Primary Care Enhancement Act clarifies that:

- DPC is not health insurance for the purposes of HSA rules in the tax code.
- Pre-tax HSA funds may be used to pay for DPC fees.
- DPC agreements under \$150 per month will not be treated as a health plan or coverage that makes an individual ineligible to contribute to an HSA. Higher dollar “concierge” agreements are not included.

Over 33 States have passed bipartisan laws defining DPC arrangements as medical services outside of state insurance regulation. HHS Rules for the Affordable Care Act Section 1301(a)(3) define DPC arrangements are “not insurance companies.” **The IRS is the only regulator in the US that sees DPC as a form of insurance.**