



H.R. 6311 – Increasing Access to Lower Premium Plans and Expanding Health Savings Accounts Act of 2018

CONTACT: [Gavin Proffitt](#), 202-226-2076

FLOOR SCHEDULE: This legislation is scheduled to be considered on July 25, 2018, under a [closed rule](#).

TOPLINE SUMMARY: [H.R. 6311](#) would allow for additional amounts to be rolled over to subsequent calendar years for Flexible Spending Accounts; would allow for working seniors enrolled in Medicare Part-A to contribute to their HSAs; would make changes to “catch-up” contributes for HSAs; would allow anyone to purchase a catastrophic health care plan; would allow HSAs to be used on bronze and catastrophic plans; and would further delay the Health Insurance Tax.

COST: No CBO cost estimate is available at this time. However, the Joint Committee on Taxation has provided estimates on the costs for several of the individual bills that make up H.R. 6311. The individual cost and sum is provided below.

Legislation	Cost
H.R. 6313	\$634,000,000.00
H.R. 6309	\$5,500,000,000.00
H.R. 6306	\$15,254,000,000.00
H.R. 6311, as introduced	\$10,901,000,000.00
H.R. 5963	<i>n/a</i>
Total: H.R. 6311, as amended (not including H.R. 5963)	\$32,289,000,000.00

CONSERVATIVE CONCERNS:

Many conservatives will be pleased that the bill would expand access and contribution limits for Health Savings Accounts (HSAs), a long-standing conservative priority. Many conservatives believe that HSAs

allow individuals and families more control over their health care dollars, provide for additional flexibility and autonomy over their health care choices.

Some conservatives may be concerned with the expansion of the catastrophic plans on the Obamacare exchange and the combination of the risk pool with the rest of the plans in the market. Other conservatives may be supportive of allowing individuals the option to purchase lower-priced health insurance options.

- **Expand the Size and Scope of the Federal Government?** This legislation would expand the eligibility for certain lower-priced plans on the exchanges under Obamacare.
- **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:

H.R. 6311 would allow for additional amounts to be rolled over to subsequent calendar years for Flexible Spending Accounts; would allow for working seniors enrolled in Medicare Part-A to contribute to their HSAs; would make changes to “catch-up” contributes for HSAs; would allow anyone to purchase a catastrophic health care plan; would allow HSAs to be used on bronze and catastrophic plans; and would further delay the Health Insurance Tax.

Sec 2. Carryforward of health flexible spending arrangement account balances.

Under [current law](#), the amount which can be carried forward in a Flexible Spending Account (FSA) to a new year is capped at \$500 dollars. This section would repeal that cap and allow all FSA balances to be carried over to the succeeding plan year.

This section would state that all FSA balances may be carried over to the succeeding plan year so long as those balances do not exceed three times the annual FSA contribution limit.

The amendments made by this section would apply to plan years beginning after December 31, 2018.

This section comes from H.R. 6313, the Responsible Additions and Increases to Sustain Employee Health Benefits Act of 2018.

Sec 3. Individuals entitled to part A of Medicare by reason of age allowed to contribute to health savings accounts.

Under [current law](#), seniors that are covered by an HSA-eligible high deductible health care plan who are also enrolled in Medicare Part A may not contribute to a Health Savings Account.

This section would amend that law and would allow for seniors enrolled in Medicare Part A to contribute to a Health Savings Account.

The amendments made by this section would apply to months beginning after December 31, 2018, in taxable years ending after such date.

This section comes from H.R. 6309, the Allowing Working Seniors to Keep Their Health Savings Accounts Act of 2018

Sec 4. Maximum contribution limit to health savings account increased to amount of deductible and out-of-pocket limitation.

Under [current law](#), the annual contribute to Health Savings Accounts for individuals and families is limited. For 2018, the limit for an individual is \$3,450 dollars, and the limit for a family is \$6,900 dollars.

This section would amend current law to allow HSA-eligible individuals to contribute the sum of the annual deductible and the other annual out-of-pocket expenses under their HSA-qualified plans, which would be \$6,650 dollars for an individual and \$13,300 for a family in year 2018.

The amendments made by this section would apply to taxable years beginning after December 31, 2018.

This section comes from H.R. 6306, the Health Care Security Act of 2018

Sec 5. Allow both spouses to make catch-up contributions to the same health savings account.

Under [current law](#), if both spouses are HSA-eligible and age 55 or older, those individuals must open separate HSA accounts for their respective “catch-up” contribution. This is limited to an extra \$1,000 dollars annually.

This section would allow for both spouses to deposit their “catch-up” contributions into one account, as opposed to separate accounts under current law.

This section would specify that the amendments made by this section shall apply to taxable years beginning after December 31, 2018.

This section comes from H.R. 6306, the Health Care Security Act of 2018

Sec 6. Special rule for certain medical expenses incurred before establishment of health savings account.

Under [current law](#), an individual may only use their HSA on qualified medical expenses incurred after the establishment of an HSA. This section would allow for funds held in HSAs opened within 60 days after purchasing a high deductible health insurance plan funds to be used on certain medical expenses.

This section comes from H.R. 6306, the Health Care Security Act of 2018

Sec 7. Allowance of bronze and catastrophic plans in connection with health savings accounts.

This section would amend [current law](#) to allow health plans which qualify as bronze and catastrophic on health exchanges to be eligible plans for HSA contributions.

The amendments made by this section would apply to months beginning after December 31, 2018, in taxable years ending after such date.

This section comes from H.R. 6311, To amend the Internal Revenue Code of 1986 and the Patient Protection and Affordable Care Act to modify the definition of qualified health plan for purposes of

the health insurance premium tax credit and to allow individuals purchasing health insurance in the individual market to purchase a lower premium copper plan.

Sec 8. Allowing all individuals purchasing health insurance in the individual market the option to purchase a lower premium copper plan.

Under [current law](#), Obamacare limits the purchasing of catastrophic plans to only those under the age of 30, or those that qualify for a hardship exemption. A [catastrophic plan](#) is a health insurance plan which meets all of the requirements applicable to other Qualified Health Plans, but do not cover any benefits other than three primary care visits per year before the deductible is met. A standard catastrophic plan carries a lower premium, but has a higher deductible, copayment, and coinsurance.

This section would amend Obamacare to allow anyone to purchase a lower-premium catastrophic plan, and would combine the risk pool with the rest of the plans in the market.

This section would specify that the amendments made by this section shall apply to taxable years beginning after December 31, 2018.

This section comes from H.R. 6311, To amend the Internal Revenue Code of 1986 and the Patient Protection and Affordable Care Act to modify the definition of qualified health plan for purposes of the health insurance premium tax credit and to allow individuals purchasing health insurance in the individual market to purchase a lower premium copper plan.

Sec 9. Delay of reimposition of annual fee on health insurance providers.

This section would delay the Obamacare Health Insurance Tax for calendar years 2020 and 2021. The Health Insurance tax had been suspended for 2017 – 2019 in previous legislation.

This section would specify that the amendments made by this section shall apply to taxable years beginning after December 31, 2019.

This section comes from H.R. 5963, to delay the reimposition of the annual fee on health insurance providers until after 2020.

COMMITTEE ACTION:

H.R. 6311 was introduced on July 6, 2018, and was referred to the House committee on Energy and Commerce, as well as the House Committee on Ways and Means. The bill was marked up on July 11, 2018 and reported favorably by a vote of 23-16. Hearings and markups were also held for many of the underlying sections.

SUPPORT:

60 Plus Association

ALEC Action

[Americans for Tax Reform](#) - **Key Vote**

[Americans for Prosperity](#) - **Key Vote**

American Legislative Exchange Council

Association of Mature American Citizens

Campaign for Liberty

Council for Citizens against Government Waste

CURE

Digital Liberty

Employers Council on Flexible Compensation
Family Business Coalition
Faith & Freedom Coalition
Farm Bureau
Freedom Partners Chamber of Commerce
FreedomWorks
Galen Institute
Goldwater Institute
Health Freedom Hub
HSA Coalition
HSAs for All
Hispanic Leadership Fund
Independent Women’s Forum
Independent Women’s Voice
Institute for Liberty
Our American Initiative
National Taxpayers Union
NFIB - **Key Vote**
Taxpayers Protection Alliance
The Carlstrom Group
The LIBRE Initiative
[US Chamber of Commerce](#) - **Key Vote**
Virginians for Quality Health Care

ADMINISTRATION POSITION:

According to the [Statement of Administration Policy](#), “if H.R. 6311 were presented to the President in its current form, his advisors would recommend that he sign the bill into law.”

CONSTITUTIONAL AUTHORITY:

According to the sponsor of this legislation: “Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8, Clause 1 – the power to lay and collect taxes; and Article 1, Section 8, Clause 18 – necessary and proper clause.”

NOTE: *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

###