The Primary Care Enhancement Act (H.R. 3708) expands access to high-functioning value-based primary care services for Americans of all income and age levels using innovative Direct Primary Care (DPC) medical homes. The legislation builds on a provision in the Affordable Care Act to clarify to the tax code and remove a major federal regulatory barrier keeping patients, providers and employers from using innovative Direct Primary Care (DPC) medical homes to improve health outcomes and reduce costs.

Today well over 25% of workers are enrolled in an HDHP, eligible to be paired with an HSA. CDC says shows that Individuals with HDHPs have fewer doctor visits, are less likely to seek preventive care and use appropriate healthcare services. The Primary Care Enhancement act remedies this by allowing employers to offer individuals with HDHPs paired with HSAs access to great primary care without co-pays or deductibles.

- **The Primary Care Enhancement Act clarifies the tax code, making it clear that patients with HDHPs can have access to great primary care with a DPC medical home.**
- Today, IRS rules prohibit individuals with high deductible health plans (HDHPs) paired with Health Savings Accounts (HSAs) from having an agreement with a DPC provider.
- Department of Health and Human Services (HHS) regulations from the ACA define DPC medical homes as primary care services offered outside fee-for-service insurance and an important value based delivery reform being defined in state laws.
- Almost 30 states have passed legislation or issued guidance to define direct primary care medical homes as medical services outside state insurance or health plan regulations.
- Current IRS policy inappropriately interprets DPC arrangements as a form of health plan—*As such, individuals with HDHPs paired with HSAs are effectively barred from having a relationship with a DPC if an employer funds an HSA.*
- **IRS rules also need to be updated and clarified to allow periodic fees for primary care—to be paid for using HSA funds.**

IRS regulations are clear: HSAs must be paired with an HDHP, and the HSA holder may not have a second health plan. This legislation clarifies that DPC arrangements are not health plans for the purposes of the tax code, and makes fees paid to primary care providers in periodic fee arrangements qualified health expenses. DPC is currently offered in exchanges, with self-insured employers, unions, in Medicare Advantage and Medicaid MCOs.

**Individuals with HSAs are the only people with health coverage who are barred by federal regulations from having a DPC provider.** Employers who have HSAs in their benefit mix can’t offer DPC to their employees with HDHPs. As of 2018 about 27% of all coverage includes an HSA paired with an HDHP. That number is rapidly growing as premium costs rise for employers and in exchanges. Some in Congress support HSAs but some do not. Regardless of your opinion of HSAs, this change is a matter of fairness to the growing number of patients who already have HSAs, allowing them to access the same high functioning primary care arrangements that those without HSAs may have.

**Please act today. Co-Sponsor, the Primary Care Enhancement Act introduced by Representatives Earl Blumenauer (D-OR), Jason Smith (R-MO), Brad Schneider (D-IL), and Devin Nunes(R-CA).**