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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

Mr. BERA introduced the following bill; which was referred to the Committee
on _____

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”.

1 **SEC. 2. COVERAGE UNDER MEDICARE PERMISSIBLE FOR**
2 **PURPOSES OF CONTRIBUTIONS TO HEALTH**
3 **SAVINGS ACCOUNTS.**

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

5 (1) **IN GENERAL.—**Subparagraph (A) of section
6 223(c)(2) of the Internal Revenue Code of 1986 is
7 amended to read as follows:

8 “(A) **IN GENERAL.—**The term ‘HSA-quali-
9 fied health plan’ means—

10 “(i) a health plan—

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

13 “(aa) \$1,000 for self-only
14 coverage, and

15 “(bb) twice the dollar
16 amount in item (aa) for family
17 coverage, and

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

24 “(aa) \$5,000 for self-only
25 coverage, and

1 “(bb) twice the dollar
2 amount in item (aa) for family
3 coverage, and

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

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

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

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

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

5 (5) ADDITIONAL CONFORMING AMENDMENTS.—

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

10 (B) CONFORMING AMENDMENTS.—

11 (i) The heading for paragraph (2) of
12 section 223(c) of such Code is amended by
13 striking “HIGH DEDUCTIBLE HEALTH
14 PLAN” and inserting “HSA-QUALIFIED
15 HEALTH PLAN”.

16 (ii) Section 408(d)(9) of such Code is
17 amended—

18 (I) by striking “high deductible
19 health plan” each place it appears in
20 the text in subparagraph (C) and in-
21 serting “HSA-qualified health plan”;
22 and

23 (II) by striking “HIGH DEDUCT-
24 IBLE HEALTH PLAN” in the heading

1 of subparagraph (D) and inserting
2 “HSA-QUALIFIED HEALTH PLAN”.

3 (iii) Section 106(e) of such Code is
4 amended—

5 (I) by striking “HIGH DEDUCT-
6 IBLE HEALTH PLAN” in the heading
7 of paragraph (3) and inserting “HSA-
8 QUALIFIED HEALTH PLAN”; and

9 (II) by striking “high deductible
10 health plan” in paragraph (5)(B)(ii)
11 and inserting “HSA-qualified health
12 plan”.

13 (b) REPEAL OF MEDICARE LIMITATION ON DEDUC-
14 TION FOR CONTRIBUTIONS.—

15 (1) IN GENERAL.—Subsection (b) of section
16 223 of such Code is amended by striking paragraph
17 (7) and redesignating paragraph (8) as paragraph
18 (7).

19 (2) CONFORMING AMENDMENT.—Section
20 26(b)(2)(S) of such Code is amended by striking
21 “223(b)(8)(B)(i)(II),” and inserting
22 “223(b)(7)(B)(i)(II),”.

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