

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5445
OFFERED BY MR. BRADY OF TEXAS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Health Care Security
3 Act of 2016”.

**4 SEC. 2. ALLOW BOTH SPOUSES TO MAKE CATCH-UP CON-
5 TRIBUTIONS TO THE SAME HEALTH SAVINGS
6 ACCOUNT.**

7 (a) IN GENERAL.—Section 223(b)(5) of the Internal
8 Revenue Code of 1986 is amended to read as follows:

9 “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS
10 WITH FAMILY COVERAGE.—

11 “(A) IN GENERAL.—In the case of individ-
12 uals who are married to each other, if both
13 spouses are eligible individuals and either
14 spouse has family coverage under a high de-
15 ductible health plan as of the first day of any
16 month—

17 “(i) the limitation under paragraph
18 (1) shall be applied by not taking into ac-

1 count any other high deductible health
2 plan coverage of either spouse (and if such
3 spouses both have family coverage under
4 separate high deductible health plans, only
5 one such coverage shall be taken into ac-
6 count),

7 “(ii) such limitation (after application
8 of clause (i)) shall be reduced by the ag-
9 gregate amount paid to Archer MSAs of
10 such spouses for the taxable year, and

11 “(iii) such limitation (after application
12 of clauses (i) and (ii)) shall be divided
13 equally between such spouses unless they
14 agree on a different division.

15 “(B) TREATMENT OF ADDITIONAL CON-
16 TRIBUTION AMOUNTS.—If both spouses referred
17 to in subparagraph (A) have attained age 55
18 before the close of the taxable year, the limita-
19 tion referred to in subparagraph (A)(iii) which
20 is subject to division between the spouses shall
21 include the additional contribution amounts de-
22 termined under paragraph (3) for both spouses.
23 In any other case, any additional contribution
24 amount determined under paragraph (3) shall
25 not be taken into account under subparagraph

1 (A)(iii) and shall not be subject to division be-
2 tween the spouses.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to taxable years beginning after
5 December 31, 2016.

6 **SEC. 3. SPECIAL RULE FOR CERTAIN MEDICAL EXPENSES**
7 **INCURRED BEFORE ESTABLISHMENT OF**
8 **HEALTH SAVINGS ACCOUNT.**

9 (a) IN GENERAL.—Section 223(d)(2) of the Internal
10 Revenue Code of 1986 is amended by adding at the end
11 the following new subparagraph:

12 “(D) TREATMENT OF CERTAIN MEDICAL
13 EXPENSES INCURRED BEFORE ESTABLISHMENT
14 OF ACCOUNT.—If a health savings account is
15 established during the 60-day period beginning
16 on the date that coverage of the account bene-
17 ficiary under a high deductible health plan be-
18 gins, then, solely for purposes of determining
19 whether an amount paid is used for a qualified
20 medical expense, such account shall be treated
21 as having been established on the date that
22 such coverage begins.”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall apply with respect to coverage beginning
25 after December 31, 2016.

1 **SEC. 4. MAXIMUM CONTRIBUTION LIMIT TO HEALTH SAV-**
2 **INGS ACCOUNT INCREASED TO AMOUNT OF**
3 **DEDUCTIBLE AND OUT-OF-POCKET LIMITA-**
4 **TION.**

5 (a) **SELF-ONLY COVERAGE.**—Section 223(b)(2)(A)
6 of the Internal Revenue Code of 1986 is amended by strik-
7 ing “\$2,250” and inserting “the amount in effect under
8 subsection (c)(2)(A)(ii)(I)”.

9 (b) **FAMILY COVERAGE.**—Section 223(b)(2)(B) of
10 such Code is amended by striking “\$4,500” and inserting
11 “the amount in effect under subsection (c)(2)(A)(ii)(II)”.

12 (c) **CONFORMING AMENDMENT.**—Section 223(g)(1)
13 of such Code is amended by striking “subsections (b)(2)
14 and” and inserting “subsection”.

15 (d) **EFFECTIVE DATE.**—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2016.

