



Expanding and Enhancing Health Savings Accounts

The Problem

Obamacare took control of health care away from Americans. The law imposed one-size-fits-all policies that limited choice and flexibility and made it hard for individuals and families to manage their own health care dollars and make their own health care decisions.

The Solution

As proposed by President Trump, the *American Health Care Act* empowers individuals and families to save and spend their health care dollars the way they want and need—not the way Washington prescribes—by expanding and enhancing a popular, tax-advantaged savings tool known as health savings accounts (HSAs).



**NEARLY
20 million
Americans affected** by
Obamacare mandates on Health
Savings Accounts.

Today, more than 20 million Americans use their HSAs—which serve as a supplement to High Deductible Health Plans—to pay for different medical expenses and out-of-pocket costs.

The *American Health Care Act* includes provisions previously passed in the House on a bipartisan basis. Based on the *Restoring Access to Medication Act* (H.R. 1270), which was introduced by Ways and Means Member Lynn Jenkins (R-KS) and included ideas from Ways and Means Member Erik Paulsen (R-MN), our bill will:

- **Nearly double the amount of tax-free money people can contribute to their HSAs.** Current law limits individuals to contribute \$3,400 into their HSAs and families to contribute \$6,750 into their HSAs. Our bill will increase the contribution limits on the combined annual limit for out-of-pocket and deductible expenses. In 2017, those levels would be \$6,550 for individuals and \$13,100 for families.
- **Broaden how people can use their HSA dollars.** Unlike current law, our bill allows Americans to use their HSAs for purchasing over-the-counter medications and other health care items, in addition to prescription drugs, co-pays, deductibles, and other out-of-pocket health care expenses.
- **Provide more flexibility through commonsense reforms.** Our bill helps older married couples who are 55 and older by allowing spouses who are both enrolled in HSA-eligible plans to deposit their catch-up HSA contributions into one account. Our bill also allows individuals and families to use money from their HSAs for qualified medical expenses up to 60 days before the account was opened.