

Calendar No. 550

114TH CONGRESS
2^D SESSION**H. R. 1270**

IN THE SENATE OF THE UNITED STATES

JULY 7, 2016

Received; read the first time

JULY 11, 2016

Read the second time and placed on the calendar

AN ACT

To amend the Internal Revenue Code of 1986 to repeal the amendments made by the Patient Protection and Affordable Care Act which disqualify expenses for over-the-counter drugs under health savings accounts and health flexible spending arrangements.

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 “Restoring Access to
5 Medication and Improving Health Savings Act of 2016”.

1 **TITLE I—RESTORING ACCESS TO**
2 **MEDICATION ACT OF 2016**

3 **SEC. 101. SHORT TITLE.**

4 This title may be cited as the “Restoring Access to
5 Medication Act of 2016”.

6 **SEC. 102. REPEAL OF DISQUALIFICATION OF EXPENSES**
7 **FOR OVER-THE-COUNTER DRUGS UNDER**
8 **CERTAIN ACCOUNTS AND ARRANGEMENTS.**

9 (a) HSAs.—Section 223(d)(2)(A) of the Internal
10 Revenue Code of 1986 is amended by striking the last sen-
11 tence.

12 (b) ARCHER MSAs.—Section 220(d)(2)(A) of such
13 Code is amended by striking the last sentence.

14 (c) HEALTH FLEXIBLE SPENDING ARRANGEMENTS
15 AND HEALTH REIMBURSEMENT ARRANGEMENTS.—Sec-
16 tion 106 of such Code is amended by striking subsection
17 (f).

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to expenses incurred after Decem-
20 ber 31, 2016.

21 **TITLE II—HEALTH CARE**
22 **SECURITY ACT OF 2016**

23 **SEC. 201. SHORT TITLE.**

24 This title may be cited as the “Health Care Security
25 Act of 2016”.

1 **SEC. 202. ALLOW BOTH SPOUSES TO MAKE CATCH-UP CON-**
2 **TRIBUTIONS TO THE SAME HEALTH SAVINGS**
3 **ACCOUNT.**

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

6 “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS
7 WITH FAMILY COVERAGE.—

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

14 “(i) the limitation under paragraph
15 (1) shall be applied by not taking into ac-
16 count any other high deductible health
17 plan coverage of either spouse (and if such
18 spouses both have family coverage under
19 separate high deductible health plans, only
20 one such coverage shall be taken into ac-
21 count),

22 “(ii) such limitation (after application
23 of clause (i)) shall be reduced by the ag-
24 gregate amount paid to Archer MSAs of
25 such spouses for the taxable year, and

1 “(iii) such limitation (after application
2 of clauses (i) and (ii)) shall be divided
3 equally between such spouses unless they
4 agree on a different division.

5 “(B) TREATMENT OF ADDITIONAL CON-
6 TRIBUTION AMOUNTS.—If both spouses referred
7 to in subparagraph (A) have attained age 55
8 before the close of the taxable year, the limita-
9 tion referred to in subparagraph (A)(iii) which
10 is subject to division between the spouses shall
11 include the additional contribution amounts de-
12 termined under paragraph (3) for both spouses.
13 In any other case, any additional contribution
14 amount determined under paragraph (3) shall
15 not be taken into account under subparagraph
16 (A)(iii) and shall not be subject to division be-
17 tween the spouses.”.

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

1 **SEC. 203. SPECIAL RULE FOR CERTAIN MEDICAL EXPENSES**
2 **INCURRED BEFORE ESTABLISHMENT OF**
3 **HEALTH SAVINGS ACCOUNT.**

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

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

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

21 **SEC. 204. MAXIMUM CONTRIBUTION LIMIT TO HEALTH SAV-**
22 **INGS ACCOUNT INCREASED TO AMOUNT OF**
23 **DEDUCTIBLE AND OUT-OF-POCKET LIMITA-**
24 **TION.**

25 (a) SELF-ONLY COVERAGE.—Section 223(b)(2)(A)
26 of the Internal Revenue Code of 1986 is amended by strik-

1 ing “\$2,250” and inserting “the amount in effect under
2 subsection (c)(2)(A)(ii)(I)”.

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

6 (c) CONFORMING AMENDMENTS.—Section 223(g)(1)
7 of such Code is amended—

8 (1) by striking “subsections (b)(2) and” both
9 places it appears and inserting “subsection”, and

10 (2) by striking “determined by” in subpara-
11 graph (B) thereof and all that follows through “‘cal-
12 endar year 2003’.” and inserting “determined by
13 substituting ‘calendar year 2003’ for ‘calendar year
14 1992’ in subparagraph (B) thereof .”.

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

18 **TITLE III—PROTECTING TAX-**
19 **PAYERS BY RECOVERING IM-**
20 **PROPER OBAMACARE SUB-**
21 **SIDY OVERPAYMENTS ACT**

22 **SEC. 301. SHORT TITLE.**

23 This title may be cited as the “Protecting Taxpayers
24 by Recovering Improper Obamacare Subsidy Overpay-
25 ments Act”.

1 **SEC. 302. RECOVERY OF IMPROPER OVERPAYMENTS RE-**
 2 **SULTING FROM CERTAIN FEDERALLY SUB-**
 3 **SIDIZED HEALTH INSURANCE.**

4 (a) IN GENERAL.—Section 36B(f)(2)(B)(i) of the In-
 5 ternal Revenue Code of 1986 is amended to read as fol-
 6 lows:

7 “(i) IN GENERAL.—In the case of a
 8 taxpayer whose household income is less
 9 than 300 percent of the poverty line for
 10 the size of the family involved for the tax-
 11 able year, the amount of the increase
 12 under subparagraph (A) shall in no event
 13 exceed the applicable dollar amount deter-
 14 mined in accordance with the following
 15 table (one-half of such amount in the case
 16 of a taxpayer whose tax is determined
 17 under section 1(c) for the taxable year):

“If the household income (expressed as a percent of poverty line) is:	The applicable dollar amount is:
Less than 200%	\$600
At least 200% but less than 250%	\$1,500
At least 250% but less than 300%	\$3,000.”

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

Passed the House of Representatives July 6, 2016.

Attest:

KAREN L. HAAS,

Clerk.

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