



August 18, 2020

The Honorable Rand Paul  
167 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Paul:

On behalf of National Taxpayers Union, the nation's oldest taxpayer advocacy organization, I write to express our support for the Health Savings Accounts for All Act (S. 4367).<sup>1</sup> As long-time supporters of Health Savings Account (HSA) expansion, we believe your legislation would make a meaningful difference in the lives of millions of Americans for years to come.

As some policymakers propose significantly expanding the federal government's role in health care, and as existing burdensome regulations raise the cost of care across the country, HSAs offer an opportunity for patients and their families to take back control and flexibility over their health coverage. This is just one reason why at least nine million Americans reported owning an HSA in tax year 2017.<sup>2</sup>

However, existing legal barriers to HSA adoption and utilization lock tens of millions of Americans out of accessing these tax-advantaged accounts.<sup>3</sup> These restrictions include strict annual contribution limits, the requirement that an HSA contributor have a high-deductible health plan (HDHP), and the prohibition on using HSA dollars to pay for insurance premiums in most cases.

Your bill, the Health Savings Accounts for All Act, would tear down those barriers and more. Several of your priorities closely match NTU's HSA expansion priorities from our October 2019 report on HSAs,<sup>4</sup> including:

- Permanently de-linking HSA eligibility from the ownership of an HDHP, allowing all individuals with private insurance, as well as people on Medicare or Medicaid, to open and contribute to an HSA;
- Allowing larger contributions to HSAs, so that Americans can save more money for qualified medical expenses into these tax-advantaged accounts; and

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<sup>1</sup> Congress.gov. (Introduced July 29, 2020). "S.4367 - A bill to amend the Internal Revenue Code of 1986 to eliminate limitations on contributions to health savings accounts." Retrieved from: <https://www.congress.gov/bill/116th-congress/senate-bill/4367> (Accessed August 17, 2020.)

<sup>2</sup> Rosso, Ryan J. "Health Savings Accounts (HSAs)." Congressional Research Service, Updated August 13, 2020. Retrieved from: <https://crsreports.congress.gov/product/pdf/R/R45277> (Accessed August 17, 2020.)

<sup>3</sup> 26 U.S.C. § 223 (2003).

<sup>4</sup> Lautz, Andrew. "Ideas to Expand and Promote the Use of Health Savings Accounts: An Alternative to Government-Run Health Insurance." National Taxpayers Union, October 21, 2019. Retrieved from: <https://www.ntu.org/publications/detail/ideas-to-expand-and-promote-the-use-of-health-savings-accounts-an-alternative-to-government-run-health-insurance> (Accessed August 17, 2020.)

- Allowing HSA dollars to pay for insurance premiums, which will encourage even more Americans to own and contribute to an HSA - especially as insurance premiums continue to rise.

We believe that significant HSA expansion and utilization will help patients become sharper and savvier consumers of health care, increase competition in the health care sector, and steer policymakers away from expensive and inefficient proposals that would have the federal government attempt to control large portions of the nation's health infrastructure. The COVID-19 pandemic has demonstrated how critical a robust, innovative, and flexible health care system is for patients and providers, and the Health Savings Accounts for All Act would provide a boost to this system at a time when the country needs it.

Thank you for introducing this legislation, and we look forward to working with you to ensure it reaches the President's desk.

Sincerely,

Andrew Lautz  
Policy and Government Affairs Manager