



March 15, 2021

The Honorable Marco Rubio
284 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Tim Scott
104 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Rubio and Scott:

On behalf of National Taxpayers Union, the nation's oldest taxpayer advocacy organization, I write to thank you for introducing the Health Savings Act of 2021 (S. 380).¹ This legislation would significantly expand Americans' opportunities to open and contribute to consumer-directed health savings accounts (HSAs), one of the most important tools in policymakers' arsenals for fixing a complicated and costly U.S. health care system.

Experts and advocates at NTU have been proponents of HSA utilization and expansion for years. In 2019 we outlined eight ways lawmakers could expand HSAs, as an alternative to recent proposals that would significantly expand the government's role in the provision of health coverage and care.² The Health Savings Act of 2021 meets many of these HSA expansion opportunities and more, by:

- Allowing individuals enrolled in Medicare Part A to open and/or continue contributing to an HSA (as they are prohibited from doing so under current law);
- Increasing the maximum contribution limit for HSAs so that it matches the out-of-pocket limit for HSA-eligible health plans, \$7,000 for individual coverage and \$14,000 for family coverage in 2021 (up from \$3,600 for individual coverage and \$7,200 for family coverage under current law);
- Changing Internal Revenue Service (IRS) guidance that prevents some families who have plans with embedded deductibles from opening and contributing to an HSA; and
- Expanding HSA eligibility, opportunities, and qualified medical expenses in several meaningful ways.

Thank you for introducing this important legislation, and we hope to work with you and your colleagues to ensure that HSA expansion initiatives are passed into law during the 117th Congress.

Sincerely,

Andrew Lautz, Director of Federal Policy

¹ Congress.gov. (Introduced February 23, 2021). "S.380 - Health Savings Act of 2021." Retrieved from: <https://www.congress.gov/bill/117th-congress/senate-bill/380/text> (Accessed March 10, 2021.)

² 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>