



**To:** Members of the House Committee on Ways and Means  
**From:** National Taxpayers Union  
**Date:** September 28th, 2023  
**Subject:** NTU's Views on September 28th, 2023 Committee Markup

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## **I. Introduction and Key Taxpayer Considerations**

On behalf of the National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write to express our views on two measures slated for consideration before the House Committee on Ways & Means on September 28th, 2023. NTU applauds the Committee for your continued efforts to advance legislation that improves government efficiency, enhances transparency, and protects taxpayers from wasteful spending. As such, NTU strongly urges Committee members to support **H.R. 5688 and H.R. 5687**.

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### **H.R. 5688 - Bipartisan HSA Improvement Act - Support**

The Bipartisan HSA Improvement Act of 2023 is a crucial piece of legislation that will help to improve the usability of HSAs and fix some use cases for HSAs. This bill would enable employer-provided direct primary care users and employees with access to employer health facilities to still access HSAs if they are on eligible plans. These provisions would enable more Americans to access HSAs without being penalized for accessing employer-provided services. The legislation would also introduce a technical fix for couples that use a health flexible spending arrangement to ensure this use case doesn't deny utilization of HSAs. NTU also supports the final provision, which was originally a bill introduced by Rep. Michelle Steel (R-CA), that would allow certain funds in Health Reimbursement Arrangements or Flex Spending Accounts that would otherwise be reverted to employers to be instead converted into HSA funds. This crucial provision would enable more employees to access funds they earned while working and enable their health futures to be more secure.

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### **H.R. 5687 - HSA Modernization Act of 2023 - Support**

The HSA Modernization Act of 2023 is another important piece of legislation that will help to modernize HSAs and make them more accessible to a wider range of individuals. First, this bill makes a technical fix for certain veterans with disabilities, older citizens on Medicare, and Indian Health Service users that would allow expanded access to HSAs. The bill would also extend HSA eligibility to users of Bronze and Catastrophic classified health plans by allowing them to be categorized as High-Deductible Health Plans (HDHPs). Additionally, there is a provision for plans with a lower threshold for mental health services to not disqualify these plans as HDHPs, and therefore still allow individuals on these plans to access HSAs. Another technical fix would allow for medical expenses incurred in a 60-day grace period after coverage begins and before a HSA is established to be qualified for payment using HSA funds. Next, the bill would allow for spouses to provide

catch up payments to one of their HSAs. Finally, the bill includes a provision introduced as legislation by Rep. Beth Van Duyne (R-TX) that would equalize the annual contribution maximum to the maximum allowed out-of-pocket expenses from HSAs, which would have the effect of increasing peace of mind for individuals who would like to ensure their HSA can cover them fully in case of emergencies.

## **II. Contact Information**

Thank you for your consideration. Should you have any questions about the content in this memo, please do not hesitate to reach out to NTU Senior Government Affairs & Policy Manager Nicholas Johns at [NJohns@ntu.org](mailto:NJohns@ntu.org).