

**Congress of the United States**  
**Washington, DC 20515**

**The Primary Care Enhancement Act**

*IRS Regulations Prevent Patients from Using Innovative Direct  
Primary Care Model*

Please Co-Sponsor H.R. 365 and Help Improve Access to Primary  
Care

Direct Primary Care (DPC) Medical Homes are an important example of successful healthcare delivery reform. DPC arrangements offer individuals access to comprehensive primary care services in a medical home setting for a flat monthly fee, often as low as \$50. These fees support the delivery of high-quality, coordinated care, and help eliminate fee-for-service (FFS) payments. This empowers the doctor-patient relationship and enables providers to resist financial incentives that distort decision-making in primary care.

According to The American Academy of Family Physicians (AAFP), “Direct primary care benefits patients by providing substantial savings and a greater degree of access to, and time with, physicians... while reducing the overhead and negative incentives associated with fee-for-service, third-party-payer billing.”

By offering a high level of access to primary care physicians, evidence shows DPC Medical Homes improve health outcomes and reduce costs. Today, DPC Medical Homes serve individuals of all ages and incomes in at least 47 states and the District of Columbia. DPC Medical Homes can be found in several state exchanges, in Medicare Advantage plans, state employee health plans, and even with Medicaid plans.

**IRS interpretation of Federal tax regulations, however, prevent most patients with Health Savings Accounts (HSAs) from using this promising model of care:**

Current IRS interpretation of HSA laws treat DPC as a second health plan, which makes it difficult for employers who use HSAs paired with high deductible health plans to offer DPC as a benefit., furthermore, while individuals can use HSA funds to pay for out of pocket primary care expenses in FFS, they cannot use HSA funds to pay for more effective, efficient primary care delivered by DPC Medical Homes.

*The Primary Care Enhancement Act (H.R. 365)* simplifies existing IRS regulations to fix both of these problems. The legislation clarifies that DPC medical homes are qualified health expenses—medical services – and not “health plans,” allowing employers and individuals with HSAs to participate in DPC Medical Homes using HSA funds.

Please join Reps. Paulsen and Blumenauer to help remove these barriers to one of the most promising healthcare delivery reforms in America by Co-Sponsoring H.R. 365 . If you are interested or need further information, please contact Ryan Huff in Rep. Paulsen’s office at [ryan.huff@mail.house.gov](mailto:ryan.huff@mail.house.gov) or Kristen Donheffner in Rep. Blumenauer’s office at [Kristen.donheffner@mail.house.gov](mailto:Kristen.donheffner@mail.house.gov) .

Sincerely,



Rep. Erik Paulsen  
Member of Congress



Rep. Earl Blumenauer  
Member of Congress