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Hatch, Rubio Announce Bill to Strengthen, Expand HSAs, FSAs

Enhancing Popular Health Care Plans Will Encourage Health Care Savings, Increase Access to Affordable, Quality Medical Care

WASHINGTON – Senate Finance Committee Ranking Member Orrin Hatch (R-Utah) and U.S. Senator Marco Rubio (R-Fla.), today introduced the Family and Retirement Health Investment Act of 2013, legislation to strengthen and expand Health Savings Accounts (HSAs) and Flexible Spending Arrangements (FSAs) for Americans. Companion legislation was introduced in the U.S. House of Representatives by U.S. Rep. Erik Paulsen (R-Minn.).

“Congress created Health Savings Accounts and Flexible Spending Accounts to help Americans pay for health care. Over the years, these plans have grown in popularity and it’s well past time Congress act to improve them,” **said Hatch, whose Committee has jurisdiction over health care policy.** “Streamlining these popular health care products, as our legislation does, will provide millions of families, workers, and retirees the opportunity to put away tax-free savings to pay for their personal medical costs. It’s smart policy to increase access to quality and affordable health care for consumers at an affordable price and I hope to see this bill enacted into law.”

“Our health care system is too expensive and Americans need smart, patient-centered policies now more than ever. Providing families and seniors with more high-quality, yet affordable health care options will empower them to make better decisions about their own health care,” **said Rubio.** “Strengthening and streamlining Health Savings Accounts and Flexible Spending Accounts will ensure that these popular health care plans covering millions of Americans will be significantly improved, helping many families and seniors make a cost-effective decision that is right for them.”

According to the Pricewaterhouse Coopers (PwC) Health Research Institute, this year health care costs are expected to rise by 7.5 percent. HSAs and FSAs provide individuals with opportunities to save for medical costs through tax-deductible contributions. When Congress first made HSAs available, these plans only covered 454,000 lives. Today, 13.5 million people are covered under a health plan that is eligible for an HSA.

The Family and Retirement Health Investment Act of 2013 works to simplify and enhance these health care plans for American families, seniors, and entrepreneurs.

Specifically, the legislation will:

- allow a husband and wife to make catch-up contributions to the same HSA;

- remove the onerous new restrictions on the use of HSA and FSA dollars for the purchase of over-the-counter drugs;
- clarify the use of prescription drugs as preventive care that will not be subject to an HSA-eligible plan deductible;
- reauthorize the use of Medicaid health opportunity accounts;
- promote wellness by expanding the definition of qualified medical expenses to encourage more exercise and better nutrition;
- allow seniors enrolled in Medicare Part A to continue contributing to their HSAs; and
- allow for the purchase of low-premium health insurance and long-term care insurance with HSA dollars.

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