AMENDMENT IN THE NATURE OF A SUBSTITUTE

TO H.R. 6306

OFFERED BY MR. BRADY OF TEXAS

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the "Health Care Security

3 Act of 2018".

4 **SEC. 2. MAXIMUM CONTRIBUTION LIMIT TO HEALTH SAV-**

5 **INGS ACCOUNT INCREASED TO AMOUNT OF**

6 **DEDUCTIBLE AND OUT-OF-POCKET LIMITA-**

7 **TION.**

8 (a) SELF-ONLY COVERAGE.—Section 223(b)(2)(A)

9 of the Internal Revenue Code of 1986 is amended by strik-

10 ing "$2,250" and inserting "the amount in effect under

11 subsection (c)(2)(A)(ii)(I)".

12 (b) FAMILY COVERAGE.—Section 223(b)(2)(B) of

13 such Code is amended by striking "$4,500" and inserting

14 "the amount in effect under subsection (c)(2)(A)(ii)(II)".

15 (c) CONFORMING AMENDMENTS.—Section 223(g)(1)

16 of such Code is amended—

17 (1) by striking "subsections (b)(2) and" both

18 places it appears and inserting "subsection", and

1 (2) in subparagraph (B), by striking ''deter-

2 mined by'' and all that follows through '' 'calendar

3 year 2003'.'' and inserting ''determined by sub-

4 stituting 'calendar year 2003' for 'calendar year

5 2016' in subparagraph (A)(ii) thereof.''.

6 (d) EFFECTIVE DATE.—The amendments made by

7 this section shall apply to taxable years beginning after

8 December 31, 2018.

9 **SEC. 3. ALLOW BOTH SPOUSES TO MAKE CATCH-UP CON-**

10   **TRIBUTIONS TO THE SAME HEALTH SAVINGS**

11   **ACCOUNT.**

12 (a) IN GENERAL.—Section 223(b)(5) of the Internal

13 Revenue Code of 1986 is amended to read as follows:

14   ''(5) SPECIAL RULE FOR MARRIED INDIVIDUALS

15 WITH FAMILY COVERAGE.—

16   ''(A) IN GENERAL.—In the case of individ-

17   uals who are married to each other, if both

18   spouses are eligible individuals and either

19   spouse has family coverage under a high de-

20   ductible health plan as of the first day of any

21   month—

22   ''(i) the limitation under paragraph

23   (1) shall be applied by not taking into ac-

24   count any other high deductible health

25   plan coverage of either spouse (and if such

1 spouses both have family coverage under

2 separate high deductible health plans, only

3 one such coverage shall be taken into ac-

4 count),

5 ''(ii) such limitation (after application

6 of clause (i)) shall be reduced by the ag-

7 gregate amount paid to Archer MSAs of

8 such spouses for the taxable year, and

9 ''(iii) such limitation (after application

10 of clauses (i) and (ii)) shall be divided

11 equally between such spouses unless they

12 agree on a different division.

13 ''(B) TREATMENT OF ADDITIONAL CON-

14 TRIBUTION AMOUNTS.—If both spouses referred

15 to in subparagraph (A) have attained age 55

16 before the close of the taxable year, the limita-

17 tion referred to in subparagraph (A)(iii) which

18 is subject to division between the spouses shall

19 include the additional contribution amounts de-

20 termined under paragraph (3) for both spouses.

21 In any other case, any additional contribution

22 amount determined under paragraph (3) shall

23 not be taken into account under subparagraph

24 (A)(iii) and shall not be subject to division be-

25 tween the spouses.''.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2018.

SEC. 4. SPECIAL RULE FOR CERTAIN MEDICAL EXPENSES INCURRED BEFORE ESTABLISHMENT OF HEALTH SAVINGS ACCOUNT.

7 (a) IN GENERAL.—Section 223(d)(2) of the Internal
8 Revenue Code of 1986 is amended by adding at the end
9 the following new subparagraph:

10 "(D) TREATMENT OF CERTAIN MEDICAL
11 EXPENSES INCURRED BEFORE ESTABLISHMENT
12 OF ACCOUNT.—If a health savings account is
13 established during the 60-day period beginning
14 on the date that coverage of the account bene-
15 ficiary under a high deductible health plan be-
16 gins, then, solely for purposes of determining
17 whether an amount paid is used for a qualified
18 medical expense, such account shall be treated
19 as having been established on the date that
20 such coverage begins.".

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply with respect to coverage beginning
23 after December 31, 2018.

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