

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3708
OFFERED BY MR. NEAL OF MASSACHUSETTS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Primary Care En-
3 hancement Act of 2019”.

**4 SEC. 2. TREATMENT OF DIRECT PRIMARY CARE SERVICE
5 ARRANGEMENTS.**

6 (a) IN GENERAL.—Section 223(c)(1) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following new subparagraph:

9 “(D) TREATMENT OF DIRECT PRIMARY
10 CARE SERVICE ARRANGEMENTS.—

11 “(i) IN GENERAL.—A direct primary
12 care service arrangement shall not be
13 treated as a health plan for purposes of
14 subparagraph (A)(ii).

15 “(ii) DIRECT PRIMARY CARE SERVICE
16 ARRANGEMENT.—For purposes of this
17 paragraph—

1 “(I) IN GENERAL.—The term ‘di-
2 rect primary care service arrange-
3 ment’ means, with respect to any indi-
4 vidual, an arrangement under which
5 such individual is provided medical
6 care (as defined in section 213(d))
7 consisting solely of primary care serv-
8 ices provided by primary care practi-
9 tioners (as defined in section
10 1833(x)(2)(A) of the Social Security
11 Act, determined without regard to
12 clause (ii) thereof), if the sole com-
13 pensation for such care is a fixed peri-
14 odic fee.

15 “(II) LIMITATION.—With respect
16 to any individual for any month, such
17 term shall not include any arrange-
18 ment if the aggregate fees for all di-
19 rect primary care service arrange-
20 ments (determined without regard to
21 this subclause) with respect to such
22 individual for such month exceed
23 \$150 (twice such dollar amount in the
24 case of an individual with any direct
25 primary care service arrangement (as

1 so determined) that covers more than
2 one individual).

3 “(iii) CERTAIN SERVICES SPECIFI-
4 CALLY EXCLUDED FROM TREATMENT AS
5 PRIMARY CARE SERVICES.—For purposes
6 of this paragraph, the term ‘primary care
7 services’ shall not include—

8 “(I) procedures that require the
9 use of general anesthesia,

10 “(II) prescription drugs (other
11 than vaccines), and

12 “(III) laboratory services not
13 typically administered in an ambula-
14 tory primary care setting.

15 The Secretary, after consultation with the
16 Secretary of Health and Human Services,
17 shall issue regulations or other guidance
18 regarding the application of this clause.”.

19 (b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT
20 FEES TREATED AS MEDICAL EXPENSES.—Section
21 223(d)(2)(C) of such Code is amended by striking “or”
22 at the end of clause (iii), by striking the period at the
23 end of clause (iv) and inserting “, or”, and by adding at
24 the end the following new clause:

25 “(v) any direct primary care service arrangement.”.

1 (c) INFLATION ADJUSTMENT.—Section 223(g)(1) of
2 such Code is amended—

3 (1) by inserting “, (c)(1)(D)(ii)(II),” after
4 “(b)(2),” each place such term appears, and

5 (2) in subparagraph (B), by inserting “and
6 (iii)” after “clause (ii)” in clause (i), by striking
7 “and” at the end of clause (i), by striking the period
8 at the end of clause (ii) and inserting “, and”, and
9 by inserting after clause (ii) the following new
10 clause:

11 “(iii) in the case of the dollar amount
12 in subsection (c)(1)(D)(ii)(II) for taxable
13 years beginning in calendar years after
14 2020, ‘calendar year 2019’.”.

15 (d) REPORTING OF DIRECT PRIMARY CARE SERVICE
16 ARRANGEMENT FEES ON W-2.—Section 6051(a) of such
17 Code is amended by striking “and” at the end of para-
18 graph (16), by striking the period at the end of paragraph
19 (17) and inserting “, and”, and by inserting after para-
20 graph (17) the following new paragraph:

21 “(18) in the case of a direct primary care serv-
22 ice arrangement (as defined in section
23 223(c)(1)(D)(ii)) which is provided in connection
24 with employment, the aggregate fees for such ar-
25 rangement for such employee.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to months beginning after Decem-
3 ber 31, 2019, in taxable years ending after such date.

