



April 23, 2018

Support the Health Savings Account Expansion Act, H.R. 247

On behalf of our activist community, I urge you to contact your representative and him or her to support the Health Savings Account Expansion Act, H.R. 247, introduced by Rep. Dave Brat (R-Va.). The bill would increase contribution limits for health savings accounts (HSAs) and would, for the first time, allow consumers to pay insurance premiums from their HSAs.

HSAs provide consumers with the ability to save more of their hard-earned money, tax-free, for medical expenses. These accounts are paired with a high-deductible health insurance plan, which has a lower monthly premium than a traditional plan. Once the insured reaches the deductible, the health insurance plan is responsible for part or all of the expenses incurred.

Although a HSA is a smart way to save money for healthcare expenses, they are worthwhile for people who don't have a high utilization of care, particularly young people who may not need a traditional health insurance plan. These accounts also put people in charge of their healthcare dollars. This is why HSAs have grown in popularity. In 2016, more than 20 million people had an HSA, according to the Association of Health Insurance Plans.

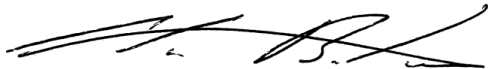
While the Senate failed to pass a health insurance reform bill last year, Americans' health insurance premiums continue to rise. Between 2013 and 2017, health insurance premiums increased by an average of 105 percent, according to the Department of Health and Human Services. Premiums are only expected to continue to rise. Although the inclination by many in Congress is to spend more money to bailout health insurance companies, passing reforms to provide Americans with more control over their healthcare dollars is the direction in which Congress should be leading our national policy.

The Health Savings Account Expansion Act would increase the contribution limits for HSAs from \$3,450 for an individual and \$6,850 for a family to \$9,000 and \$18,000. The bill would allow an HSA to be used for over-the-counter purchases, which is currently prohibited under the so-called "Affordable Care Act."

The bill, for the first time since HSAs came on the market in 2004, would also allow consumers to use their HSAs to pay their health insurance premiums and other direct primary care expenses. It also reduces the penalty for ineligible withdrawals from 20 percent to 10 percent.

HSAs have proven to be a smart alternative that allow people to save money for healthcare expenditures. Expanding HSAs to allow those who take advantage of these accounts to pay their insurance premiums out of them would certainly make these accounts more attractive. For these reasons, I urge you to contact your representative and ask him or her to support the Health Savings Account Expansion Act, H.R. 247.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized, flowing script.

Adam Brandon
President, FreedomWorks