



August 20, 2020

## **Support the Health Savings Accounts for All Act, H.R. 8032 and S. 4367**

On behalf of FreedomWorks' activist community, I urge you to contact your representative and senators and ask them to cosponsor the Health Savings Accounts for All Act, H.R. 8032 and S. 4367, introduced by Rep. Andy Biggs (R-Ari.) and Sen. Rand Paul (R-Ky.), the bill would dramatically increase the freedom Americans have over their health care by drastically expanding the usefulness of health savings accounts (HSAs).

HSAs are simple accounts into which individuals or families may deposit pre-tax earnings, and from which over time they may save and spend that money tax-free as long as it is used for approved health care expenses. These HSAs have been employed by more than 22 million Americans as an alternative means of providing for their health benefits, but they have been saddled by a multitude of legal restrictions that limit their utility.

First, the use of an HSA is legally bound to ownership of a high-deductible health plan (HDHP) - and no other form of insurance, including federal programs such as Medicare. HSA funds may not be used to defray the cost of an insurance plan either, nor can they be used for over-the-counter pharmaceuticals or any other unapproved medical expenditure. The annual contribution limit to an HSA is set at \$3,500 for an individual and \$7,000 for a family, and the accumulated money is only inheritable tax-free by a spouse, not by any other dependent.

The HSAs for All Act knocks all of these barriers down completely. Not only are HSAs decoupled from HDHPs, but under the HSAs for All Act, any American can start one, no matter what other insurance plan they have, be it Medicare, Tricare, VA, etc. The cap on annual contributions is lifted entirely, and HSA funds would be allowed to be used towards insurance premiums or direct primary care fees.

Over-the-counter drugs and other beneficial health services such as exercise equipment and physical trainers could also be purchased with HSA funds. And, the bill protects your investment

in an HSA by allowing it to be inherited by children or parents of the account holder, and by making HSAs immune to seizure under bankruptcy proceedings.

The widespread adoption of this “large HSAs” model of saving and spending on health care would represent a drastic increase in Americans’ freedom to make their own choices in how they receive health coverage and care. People being more in control of their own health care dollars will put pressure on providers to be more transparent with pricing, which is a key prerequisite to actually driving down the real cost of health care. It will also foster increased innovation in the delivery of health services, as patients can use their health savings to pursue treatments beyond what third-party payment systems will cover.

In sum, the HSAs for All Act is exactly the step that is needed to begin the process of reintroducing real market forces and freedom of choice back into the nearly entirely government-dominated health care sector. For all these reasons, I urge you to contact your representative and senators and ask them to cosponsor the Health Savings Accounts for All Act, H.R. 8032 and S. 4367.

Sincerely,

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

Adam Brandon  
President, FreedomWorks