

116TH CONGRESS  
1ST SESSION

# H. R. 3594

To amend the Internal Revenue Code of 1986 to create health freedom accounts available to all individuals.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2019

Mr. ROY (for himself and Mr. BIGGS) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to create health freedom accounts available to all individuals.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Healthcare Freedom  
5 Act of 2019”.

6 **SEC. 2. HEALTH FREEDOM ACCOUNTS.**

7 (a) IN GENERAL.—Section 223 of the Internal Rev-  
8 enue Code of 1986 is amended by striking “health savings  
9 account” and “health savings accounts” each place such

1 terms appear and inserting “health freedom account” and  
2 “health freedom accounts”, respectively.

3 (b) ALL INDIVIDUALS ALLOWED DEDUCTIONS FOR  
4 CONTRIBUTIONS.—Section 223(a) of the Internal Revenue  
5 Code of 1986 is amended by striking “who is an eligible  
6 individual for any month during the taxable year”.

7 (c) NO LIMITATION ON PURCHASING HEALTH COV-  
8 ERAGE FROM HEALTH FREEDOM ACCOUNTS.—Section  
9 223(d)(2) of the Internal Revenue Code of 1986 is amend-  
10 ed by striking subparagraphs (B) and (C) and the last  
11 sentence of subparagraph (A) and by adding at the end  
12 the following new subsection:

13 “(B) ADDITIONAL EXPENSES.—The term  
14 ‘qualified medical expenses’ includes costs asso-  
15 ciated with direct primary care, health care  
16 sharing ministries, and medical cost sharing or-  
17 ganizations.”.

18 (d) TRANSFERS ALLOWED TO OTHER HEALTH  
19 FREEDOM ACCOUNTS.—Section 223(f)(5) of the Internal  
20 Revenue Code of 1986 is amended to read as follows:

21 “(5) ROLLOVER CONTRIBUTION.—An amount  
22 paid or distributed from a health freedom account is  
23 a rollover contribution to the extent the amount re-  
24 ceived is paid into any other health freedom account

1 not later than the 60th day after the date of such  
2 payment or distribution.”.

3 (e) INCREASE IN CONTRIBUTION LIMITS.—Section  
4 223(b)(1) of such Code is amended by striking “the sum  
5 of the monthly” and all that follows through “eligible indi-  
6 vidual” and inserting “\$12,000 (twice such amount in the  
7 case of a joint return)”.

8 (f) CONFORMING AMENDMENTS.—

9 (1) Section 223(b) of such Code is amended by  
10 striking paragraphs (2), (5), (7), and (8) and by re-  
11 designating paragraphs (3), (4), and (6) as para-  
12 graphs (2), (3), and (4), respectively.

13 (2) Section 223(b)(2) of such Code (as redesign-  
14 nated by paragraph (2)) is amended to read as fol-  
15 lows:

16 “(2) ADDITIONAL CONTRIBUTIONS FOR INDI-  
17 VIDUALS 55 OR OLDER.—In the case of an individual  
18 who has attained age 55 before the close of the tax-  
19 able year, the limitation under paragraph (1) shall  
20 be increased by \$5,000.”.

21 (3) Section 223(b)(3) of such Code (as redesign-  
22 nated by subparagraph (A)) is amended by striking  
23 the last sentence.

24 (4) Section 223 of such Code is amended by  
25 striking subsection (c).

1           (5) Section 223(d)(1)(A) of such Code is  
2 amended by striking “will be accepted” and all that  
3 follows through the period at the end and inserting  
4 “will be accepted unless it is in cash.”.

5           (6) Section 223(f) of such Code is amended by  
6 striking paragraphs (7) and (8).

7           (7) Section 223(g)(1) of such Code is amend-  
8 ed—

9                   (A) by striking “Each dollar amount in  
10 subsections (b)(2) and (c)(2)(A)” and inserting  
11 “The dollar amount in subsection (b)(1)”;

12                   (B) by striking “thereof” and all that fol-  
13 lows in subparagraph (B) through “‘calendar  
14 year 2003’.” and inserting “‘calendar year  
15 1997’.”; and

16                   (C) by striking “under subsections (b)(2)  
17 and (c)(2)(A)” and inserting “under subsection  
18 (b)(1)”.

19           (8) The table of sections for part VII of sub-  
20 chapter B of chapter 1 of the Internal Revenue Code  
21 of 1986 is amended in the item relating to section  
22 223 by striking “savings” and inserting “freedom”.

23           (g) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply with respect to months in taxable

1 years beginning after the date of the enactment of this  
2 Act.

3 **SEC. 3. EXCLUSION FOR EMPLOYER CONTRIBUTIONS TO**  
4 **HEALTH FREEDOM ACCOUNTS.**

5 (a) EMPLOYER EXCLUSION.—

6 (1) IN GENERAL.—The Internal Revenue Code  
7 of 1986 is amended by inserting after section 106  
8 the following new section:

9 **“SEC. 106A. CONTRIBUTIONS BY EMPLOYERS TO HEALTH**  
10 **FREEDOM ACCOUNTS.**

11 “Gross income of an employee does not include  
12 amounts contributed by such employee’s employer to a  
13 health freedom account of such employee.”.

14 (2) EXCLUSION FOR CONTRIBUTIONS BY EM-  
15 PLOYER TO ACCIDENT AND HEALTH PLANS.—The  
16 Internal Revenue Code of 1986 is amended by strik-  
17 ing section 106.

18 (3) CONFORMING AMENDMENT.—The table of  
19 sections for part III of subchapter B of chapter 1  
20 is amended by striking the item relating to section  
21 106 and inserting the following:

“Sec. 106A. Contributions by employers to health freedom accounts.”.

22 (4) EFFECTIVE DATE.—The amendments made  
23 by this subsection shall apply with respect to em-  
24 ployees hired on or after the date that is 5 years  
25 after the date of the enactment of this Act.

1 (b) TRANSITION RULE.—

2 (1) IN GENERAL.—Section 106(d)(1) of the In-  
3 ternal Revenue Code of 1986 is amended to read as  
4 follows:

5 “(1) IN GENERAL.—Amounts contributed by an  
6 employee’s employer to any health freedom account  
7 (as defined in section 223(d)) of such employee shall  
8 be treated as employer-provided coverage for medical  
9 expenses under an accident or health plan.”.

10 (2) IN GENERAL.—The amendment made by  
11 this subsection shall apply with respect to taxable  
12 years beginning after the date of the enactment of  
13 this Act.

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