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119TH CONGRESS
2D SESSION

H. R. 11161

To amend the Internal Revenue Code of 1986 improve health savings account rules with respect to chronic care management.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 24, 2026

Ms. MALLIOTAKIS 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 improve health savings account rules with respect to chronic care management.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Chronic Condition Management Modernization Act''.

SEC. 2. CLARIFICATION OF MEDICAL CARE TO INCLUDE CHRONIC CONDITION MANAGEMENT SERVICES.

(a) IN GENERAL.—Section 213(d)(1) of the Internal Revenue Code of 1986 is amended by striking ''or'' at the

end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", or", and by inserting after subparagraph (D) (as so amended) the following new subparagraph:

"(E) FOR QUALIFIED CHRONIC CONDITION MANAGEMENT SERVICES (AS DEFINED IN PARAGRAPH (12)).". (B) QUALIFIED CHRONIC CONDITION MANAGEMENT SERVICES.—Section 213(d) of such Code is amended by adding at the end the following new paragraph:

"(12) QUALIFIED CHRONIC CONDITION MANAGEMENT SERVICES.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified chronic condition management services' means services—

"(i) furnished by—

"(I) a physician (as defined in section 1861(r)(1) of the Social Security Act), or

"(II) a licensed, certified, or otherwise appropriately credentialed qualified health care practitioner (including a nurse practitioner, physician assistant, registered dietitian or nutri-

tion professional, or other allied health professional) acting within the scope of applicable State law,

''(ii) provided pursuant to a written medical services agreement described in subparagraph (C) between the individual (on the individual's behalf by the individual's employer or plan sponsor) and the service provider,

''(iii) that relate to the prevention, diagnosis, treatment, mitigation, or ongoing clinical management of a chronic condition of the individual, including care planning, medication management, patient education, remote physiologic and therapeutic monitoring, care coordination, adherence support, and other services integral to preventing or managing disease onset or progression,

''(iv) furnished through clinically appropriate modalities, whether in person or remote, and whether synchronous or asynchronous, and

''(v) for which no portion of the payment is contingent upon the cost, utiliza-

tion, or severity of medical services furnished by any person other than the service provider.

"(B) CHRONIC CONDITION.—For purposes of this paragraph, the term 'chronic condition' means—

"(i) a condition included on the most recent list of chronic conditions published by the Secretary for purposes of section 223(c)(2)(C), or

"(ii) a physical or mental health condition that—

"(I) has been diagnosed by a physician or practitioner described in subparagraph (A)(i), and

"(II) is expected to last at least 12 months and requires ongoing clinical management to prevent deterioration, complications, or functional decline.

Such term shall include, in the case of prevention services described in subparagraph (A)(iii), a clinically documented elevated risk of developing such a condition (as determined by a physician or practitioner de-

scribed in subparagraph (A)(i) on the basis of recognized clinical risk factors or diagnostic criteria).

''(C) WRITTEN MEDICAL SERVICES AGREEMENT.—An agreement is described in this subparagraph if it is in writing and sets forth—

''(i) the scope of the chronic condition management services to be furnished,

''(ii) the fee for such services and the period to which such fee relates,

''(iii) the terms under which the agreement may be terminated by either party, and

''(iv) a statement that the arrangement is not health insurance and does not provide reimbursement or indemnification for services furnished by any person other than the service provider.

''(D) CERTAIN INSURANCE-LIKE ARRANGEMENTS EXCLUDED.—Services shall not be treated as qualified chronic management services if such services are furnished under an arrangement that—

''(i) provides reimbursement, indemnification, or payment for medical expenses

incurred by the individual for services furnished by any person other than the service provider,

"(ii) assumes financial risk for the cost of medical services furnished by any person other than the service provider, or

"(iii) conditions the availability or amount of any payment or benefit on the occurrence of an illness, injury, or other contingent health event not present at the time the arrangement is entered into.

"(E) PREPAID SERVICES AND PERIODIC PAYMENTS.—Amounts paid for qualified chronic condition management services shall not fail to be treated as paid for medical care solely because such amounts are paid on a prepaid, periodic, or subscription basis.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2026.

SEC. 3. CHRONIC CONDITION MANAGEMENT SERVICE ARRANGEMENT NOT TREATED AS HEALTH PLAN FOR PURPOSES OF HEALTH SAVINGS ACCOUNT.

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

"(F) TREATMENT OF CHRONIC CARE MANAGEMENT SERVICES.—

"(i) IN GENERAL.—A chronic care management services arrangement shall not be treated as a health plan for purposes of subparagraph (A)(ii).

"(ii) CHRONIC CONDITION MANAGEMENT SERVICE ARRANGEMENT.—For purposes of this subparagraph, the term 'chronic condition management service arrangement' means, with respect to any individual, an arrangement under which such individual is provided qualified chronic condition management services (as defined in section 213(d)(12)) if the sole compensation for such services is a fixed periodic fee.

"(iii) LIMITATION.—With respect to any individual for any month, such term

shall not include any arrangement if the aggregate fees for all chronic condition management service arrangements (determined without regard to this clause) with respect to such individual for such month exceed $125 (twice such dollar amount in the case of an arrangement that covers more than one individual).

''(iv) INFLATION ADJUSTMENT.—In the case of a taxable year beginning after December 31, 2027, the $125 amount in clause (iii) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins determined by substituting 'calendar year 2026' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any increase under the preceding sentence is not a multiple of $50, such in-

crease shall be rounded to the nearest multiple of $50.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2026.

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