

119TH CONGRESS
1ST SESSION

H. R. 1140

To amend the Internal Revenue Code of 1986 to allow individuals with direct medical care service arrangement to remain eligible individuals for purposes of health savings accounts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2025

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

A BILL

To amend the Internal Revenue Code of 1986 to allow individuals with direct medical care service arrangement to remain eligible individuals for purposes of health savings accounts, and for other purposes.

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 “Direct Medical Care
5 Freedom Act of 2025”.

1 **SEC. 2. TREATMENT OF DIRECT MEDICAL CARE SERVICE**
2 **ARRANGEMENTS.**

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

6 “(E) TREATMENT OF DIRECT MEDICAL
7 CARE SERVICE ARRANGEMENTS.—

8 “(i) IN GENERAL.—A direct medical
9 care service arrangement shall not be
10 treated as a health plan for purposes of
11 subparagraph (A)(ii).

12 “(ii) DIRECT MEDICAL CARE SERVICE
13 ARRANGEMENT.—For purposes of this
14 paragraph—

15 “(I) IN GENERAL.—The term ‘di-
16 rect medical care service arrangement’
17 means, with respect to any individual,
18 an arrangement under which such in-
19 dividual is provided medical care pro-
20 vided by medical care practitioners if
21 the sole compensation for such care is
22 a fixed periodic fee.

23 “(II) APPLICATION TO PRIMARY
24 CARE, SPECIALTY CARE, ETC.—An ar-
25 rangement shall not fail to be treated
26 as a direct medical care service ar-

1 rangement merely because such ar-
2 rangement is restricted to any subset
3 of medical care or medical care practi-
4 tioners.

5 “(iii) MEDICAL CARE PRACTI-
6 TIONER.—For purposes of this paragraph,
7 the term ‘medical care practitioner’ means
8 an individual who is—

9 “(I) a physician (as defined in
10 section 1861(r)(1) of the Social Secu-
11 rity Act), or

12 “(II) a nurse practitioner, clinical
13 nurse specialist, or physician assistant
14 (as such terms are defined in section
15 1861(aa)(5) of the Social Security
16 Act).

17 “(iv) MEDICAL CARE.—For purposes
18 of this paragraph, the term ‘medical care’
19 has the meaning given such term in section
20 213(d).”.

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

1 end of clause (iv) and inserting “, or”, and by adding at
2 the end the following new clause:

3 “(v) any direct medical care service
4 arrangement.”.

5 (c) REPORTING OF DIRECT MEDICAL CARE SERVICE
6 ARRANGEMENT FEES ON W-2.—Section 6051(a) of such
7 Code is amended by striking “and” at the end of para-
8 graph (16), by striking the period at the end of paragraph
9 (17) and inserting “, and”, and by inserting after para-
10 graph (17) the following new paragraph:

11 “(18) in the case of a direct medical care serv-
12 ice arrangement (as defined in section
13 223(c)(1)(E)(ii)) which is provided in connection
14 with employment, the aggregate fees for such ar-
15 rangement for such employee.”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to months beginning after Decem-
18 ber 31, 2024, in taxable years ending after such date.

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