CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 23, 2018

H.R. 6317
Primary Care Enhancement Act of 2018

As reported by the House Committee on Ways and Means on July 19, 2018

H.R. 6317 would amend the Internal Revenue Code by altering the treatment of direct primary care service arrangements so that they do not make individuals ineligible to contribute to a Health Savings Account (HSA).

Individuals are generally eligible to participate in an HSA if they are covered by a high deductible health plan and no other health care plan, except for certain types of coverage specifically disregarded by law. Under current law, if an individual has a direct primary care service arrangement, the person is ineligible to contribute to an HSA. This bill modifies the treatment of direct primary care service arrangements so that they no longer disqualify individuals from participating in an HSA. Any fees paid for direct primary care service arrangements would be treated as medical expenses.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 6317 would reduce revenues by $1.8 billion over the 2019-2028 period. The change in revenues includes a reduction of about $0.4 billion over the 2019-2028 period that would result from changes in off-budget revenues (from Social Security payroll taxes). CBO estimates that enacting H.R. 6317 would not affect direct spending.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting revenues or direct spending. The net changes in revenues and direct spending that are subject to those pay-as-you-go procedures are shown in the following table. Only on-budget changes to revenues and direct spending are subject to pay-as-you-go procedures.

CBO and JCT estimate that enacting H.R. 6317 would increase on-budget deficits by more than $5 billion in at least one of the four 10-year periods beginning in 2029. CBO estimates that enacting the bill would not increase net direct spending in any of the four consecutive 10-year periods beginning in 2029.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Cecilia Pastrone. The estimate was reviewed by John McClelland, Assistant Director, Tax Analysis Division.

CBO Estimate of Pay-As-You-Go Effects for bill H.R. 6317, as reported by the House Committee on Ways and Means on July 19, 2018.

	By Fiscal Year, in Millions of Dollars												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-2023	2019-2028
NET INCREASE OR DECREASE (-) IN THE ON-BUDGET DEFICIT													
Statutory Pay-As-You-Go Effects	0	34	52	59	70	87	108	139	198	269	363	303	1,381
Memorandum:[a]													
Change in On-Budget Revenues	0	-34	-52	-59	-70	-87	-108	-139	-198	-269	-363	-303	-1,381
Change in Off-Budget Revenues[b]	0	-12	-17	-19	-23	-28	-36	-46	-60	-80	-108	-99	-429

Source: Staff of the Joint Committee on Taxation.

Note: Components do not add to totals due to rounding.

a. A negative sign for revenues indicates a reduction in revenues.
b. Off-budget revenues result from changes in Social Security payroll tax receipts.