

117TH CONGRESS
1ST SESSION

S. 1399

To amend the Internal Revenue Code of 1986 to allow qualified distributions from health savings accounts for certain home care expenses.

IN THE SENATE OF THE UNITED STATES

APRIL 27, 2021

Ms. SINEMA (for herself, Mr. PORTMAN, Mr. RUBIO, and Mr. CARPER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow qualified distributions from health savings accounts for certain home care expenses.

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 “Homecare for Seniors
5 Act”.

1 **SEC. 2. CERTAIN HOME CARE EXPENSES TREATED AS**
 2 **QUALIFIED DISTRIBUTIONS FROM HEALTH**
 3 **SAVINGS ACCOUNTS.**

4 (a) **IN GENERAL.**—Section 223(d)(2) of the Internal
 5 Revenue Code of 1986 is amended—

6 (1) by striking “medical care (as defined in sec-
 7 tion 213(d)” in subparagraph (A) and inserting
 8 “specified medical care (as defined in subparagraph
 9 (E))”; and

10 (2) by adding at the end the following new sub-
 11 paragraph:

12 “(E) **SPECIFIED MEDICAL CARE.**—For
 13 purposes of this paragraph—

14 “(i) **IN GENERAL.**—The term ‘speci-
 15 fied medical care’ means—

16 “(I) medical care (as defined in
 17 section 213(d)), and

18 “(II) qualified home care.

19 “(ii) **QUALIFIED HOME CARE.**—The
 20 term ‘qualified home care’ means services
 21 provided pursuant to a contract to provide
 22 3 or more of the following in the residence
 23 of the service recipient:

24 “(I) Assistance with eating.

25 “(II) Assistance with toileting.

1 “(III) Assistance with transfer-
2 ring.

3 “(IV) Assistance with bathing.

4 “(V) Assistance with dressing.

5 “(VI) Assistance with continence.

6 “(VII) Medication adherence.

7 Such term shall not include any services
8 unless such services are provided by a serv-
9 ice provider which is licensed by the State
10 to provide such services, or such services
11 are otherwise provided in a manner that is
12 consistent with State requirements.

13 “(iii) RELATED PARTIES.—The term
14 ‘qualified home care’ shall not include serv-
15 ices provided pursuant to any contract
16 which is entered into, directly or indirectly,
17 between a service provider and a service re-
18 cipient who are related within the meaning
19 of section 267(b) or 707(b).”.

20 (b) CONFORMING AMENDMENTS.—Section 223(d)(2)
21 of the Internal Revenue Code of 1986, as amended by sub-
22 section (a), is further amended—

23 (1) by striking the second sentence of subpara-
24 graph (A), and

1 (2) by striking “this paragraph, the term” in
2 subparagraph (D) and inserting “this paragraph—

3 “(i) IN GENERAL.—Amounts paid for
4 menstrual care products shall be treated as
5 paid for specified medical care.

6 “(ii) DEFINITION.—The term”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to amounts paid with respect to
9 taxable years beginning after the date of the enactment
10 of this Act.

11 (d) PROMOTION OF PUBLIC AWARENESS OF IN-
12 HOME SERVICE EXPENSES ELIGIBLE FOR TAX-FREE
13 DISTRIBUTION FROM HEALTH SAVINGS ACCOUNTS.—The
14 Secretary of Health and Human Services, in consultation
15 with the Secretary of the Treasury, shall carry out a cam-
16 paign to increase public awareness of the in-home service
17 expenses that are eligible for tax-free distribution from
18 health savings accounts.

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