

116TH CONGRESS  
2D SESSION

# S. 3261

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

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 2020

Mr. GARDNER (for himself and Ms. SINEMA) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## 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”.

6 **SEC. 2. CERTAIN HOME CARE EXPENSES TREATED AS**  
7 **QUALIFIED DISTRIBUTIONS FROM HEALTH**  
8 **SAVINGS ACCOUNTS.**

9 (a) IN GENERAL.—Section 223(d)(2) of the Internal  
10 Revenue Code of 1986 is amended—

1           (1) by striking “medical care (as defined in sec-  
 2           tion 213(d)” in subparagraph (A) and inserting  
 3           “specified medical care (as defined in subparagraph  
 4           (D))”; and

5           (2) by adding at the end the following new sub-  
 6           paragraph:

7                   “(D) SPECIFIED MEDICAL CARE.—For  
 8           purposes of this paragraph—

9                           “(i) IN GENERAL.—The term ‘speci-  
 10           fied medical care’ means—

11                                   “(I) medical care (as defined in  
 12                                   section 213(d)), and

13                                   “(II) qualified home care.

14                           “(ii) QUALIFIED HOME CARE.—The  
 15           term ‘qualified home care’ means services  
 16           provided pursuant to a contract to provide  
 17           3 or more of the following in the residence  
 18           of the service recipient:

19                                   “(I) Assistance with eating.

20                                   “(II) Assistance with toileting.

21                                   “(III) Assistance with transfer-  
 22           ring.

23                                   “(IV) Assistance with bathing.

24                                   “(V) Assistance with dressing.

25                                   “(VI) Assistance with continence.

1 “(VII) Medication adherence.

2 Such term shall not include any services  
3 unless such services are provided by a serv-  
4 ice provider which is licensed by the State  
5 to provide such services, or such services  
6 are otherwise provided in a manner that is  
7 consistent with State requirements.

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

15 (b) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to amounts paid with respect to  
17 taxable years beginning after the date of the enactment  
18 of this Act.

19 (c) PROMOTION OF PUBLIC AWARENESS OF IN-  
20 HOME SERVICE EXPENSES ELIGIBLE FOR TAX-FREE  
21 DISTRIBUTION FROM HEALTH SAVINGS ACCOUNTS.—The  
22 Secretary of Health and Human Services, in consultation  
23 with the Secretary of the Treasury, shall carry out a cam-  
24 paign to increase public awareness of the in-home service

- 1 expenses that are eligible for tax-free distribution from
- 2 health savings accounts.

