



COUNCIL FOR AFFORDABLE  
**HEALTH COVERAGE**

January 22, 2025

Congressman Lloyd Smucker  
302 Cannon House Office Building  
Washington, DC 20515

Dear Congressman Smucker,

The Council for Affordable Health Coverage (CAHC) writes to express our support for the *Primary Care Enhancement Act*. This important piece of legislation will allow individuals to access direct primary care arrangements, improving access to care and giving consumers greater control over their health and their health care dollars.

Currently, the IRS treats DPC arrangements as health insurance, not services, meaning HSA funds cannot be used to support better access to primary care services, whether in person or virtually. This creates barriers to care and frustrates patients and doctors who want to better manage their health.

Your bipartisan legislation clarifies that DPC is not health insurance for the purpose of HSA rules in the tax code, pre-tax HSA funds may be used to pay for DPC fees, and DPC arrangements under \$150 per month will properly be treated as a medical service (not as a health plan).

Studies have shown employers who offer DPC arrangements have 20 percent lower claims costs, versus employers with a basic health plan. This is important as health care costs are escalating rapidly and continue to rise faster than the economy and incomes. By 2032, the average American family is projected to spend nearly 40% of their income on just health insurance premiums, leaving less for essentials like education, housing, and food. Over the past 10 years health insurance premiums have jumped 50%, while incomes rose by just 17%. At the same time, out-of-pocket costs, like deductibles, increased by 69%.

DPC provides significant savings and greatly improved access to care as reported in the 2024 American Academy of Family Physicians (AAFP) DPC Study. The AAFP study found that 98% of reporting DPC practices provided same-day appointments, telemedicine, and phone/text/consults. Greater access to care in the primary care setting can reduce unnecessary hospital and specialty care which benefits the individual's overall health, as well as reduces the cost of care for the worker and the employer. Additionally, providers reported in the 2024 AAFP study they felt the quality of care they were able to provide improved under a DPC model.

CAHC believes individuals with HSAs should be allowed to use those funds to access DPC arrangements, a key reason why we support the *Primary Care Enhancement Act*.

HSAs have been a staple of the health plan market for 20 years, with about 37 million accounts covering 61 million people. The needs of consumers, however, have outstripped the law's original design. We support the *Primary Care Enhancement Act* because it smartly modernizes the HSA law to lower costs for patients while expanding options people can use for valuable healthcare services.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel White", written in a cursive style.

Joel C. White  
President