HCAOA Urges Congress to Address Access to Home Care Services Through Health Savings Accounts

Position

The Home Care Association of America (HCAOA) urges Congress to improve access to home care (personal care) services for seniors and individuals with disabilities by enacting legislation identifying these services as allowable expenses from an individual’s Health Savings Account (HSA).

To address this concern, Rep. Katie Porter (D-CA), Rep. John Larson (D-CT), Rep. Adrian Smith (R-NE) and Rep. Jackie Walorski (R-IN) introduced H.R. 2878 on May 21, 2019. This bill would amend the Internal Revenue Code of 1986 to allow health savings accounts to cover qualified home care services. HCAOA urges members of Congress to cosponsor this bill. This is a common-sense way to improve access to the care many need to help them stay in their home for as long as possible and avoid institutionalized care.

Background

Traditional government health care programs and our current system of institutional care cannot meet the needs of the tens of millions of elderly Americans who will require some form of assistance. Private-pay home care fills a critical gap for seniors and individuals with disabilities who are between hospital stays, nursing home care, and care provided by family members and loved ones.

The HSA is a tax-advantaged medical savings account available to taxpayers who are enrolled in a high-deductible health plan. The funds contributed to an account are not subject to federal income tax at the time of deposit. Unlike a flexible spending account (FSA), HSA funds roll over and accumulate year to year if they are not spent. HSA funds may currently be used to pay for qualified medical expenses at any time without federal tax liability or penalty.

However, many seniors who have paid into HSAs are unable to use the funds to pay for home care expenses under current law. H.R. 2878 would change this by allowing
seniors and those with disabilities to use their HSA for qualified home care services. This bill is supported by HCAOA, Home Instead, the National Association for Home Care and Hospice, Leading Age, the National Alliance for Caregiving, the Alzheimer's Foundation, the International Franchise Association, and the Caregiver Action Network.

If you would like more information on this matter or have questions, please contact Patrick Cooney at Patrick@federalgrp.com or by calling (202) 413-2629.

The Home Care Association of America (HCAOA) is the nation's first association for providers of private-pay home care. HCAOA was founded on the principle that quality private pay home care service has one model of care and that model is to employ, train, monitor and supervise caregivers, create a plan of care for the client and work toward a safe and secure environment for the person at home.