



Health Savings Act of 2016

Action Requested

Please Co-sponsor the Health Savings Act of 2016.

Background

This legislation was introduced by Senator Orrin Hatch (R-UT) and Representative Erik Paulsen (R-MN) on February 4, 2016 as S. 2499 and H.R. 4469 respectively.

This legislation would allow reimbursement for dietary and nutritional supplements from Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs), up to a cap of \$1,000 per year. HSAs and FSAs were limited under the Affordable Care Act, and this legislation would reinstate their use in covering a broad range of preventive care options.

In the Senate, S. 2499 has been co-sponsored by Senators Marco Rubio (R-FL), John Barrasso (R-WY), Ron Johnson (R-WI), Mark Kirk (R-IL), and Rob Portman (R-OH).

In the House, H.R. 4469 has been co-sponsored by Reps. Mike Kelly (R-PA), Lynn Jenkins (R-KS) Ryan Costello (R-PA), John Kline (R-MN), Barbara Comstock (R-VA), and Bob Gibbs (R-OH).

Issue

HSAs and FSAs allow participants certain tax benefits for medical expenditures as defined in section 213(d) of the Internal Revenue Code. Tax regulations interpret such expenses as incurred primarily for the “prevention or alleviation of a physical or mental defect or illness.”

Current law allows prescription drugs to be covered by HSA and FSA dollars but does not allow the same treatment for dietary and nutritional supplements.

Expenses should be covered for dietary and nutritional supplements because incentivizing disease prevention by establishing tax deductibility for dietary supplements will promote public health and reduce our nation’s out-of-pocket medical expenses. In the long run, wider use of these supplements can lead to substantial savings.

NPA Position

NPA strongly supports this legislation and urges the House and Senate to quickly pass it.

About the Natural Products Association

Founded in 1936, the Natural Products Association (NPA) is the nation’s largest and oldest nonprofit organization dedicated to the natural products industry. NPA represents over 1,400 members accounting for more than 10,000 retail, manufacturing, wholesale, and distribution locations of natural products, including foods, dietary supplements, and health/beauty aids. The association supports a strong grassroots network of members and consumers who are passionate about products that contribute to healthier lifestyles.

Headquartered in Washington, DC, NPA has been the leading industry watchdog for 80 years, acting as an advocate on regulatory and legislative issues affecting natural products.