

To the office of U.S. Representative Michelle Fischbach

Re: HR 10072 (119th Congress), Hardworking Seniors Act • Latest action (2026-08-10): Referred to the House Committee on Ways and Means.

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Medicare Part A Health Savings Account Access Act of 2025

The measure, as described from the official record: Allow individuals who are entitled to Medicare Part A to contribute to Health Savings Accounts, enabling them to save tax-free for out-of-pocket medical expenses not covered by Medicare.

THE PROPOSAL

Section 1. Short Title. This Act may be cited as the 'Medicare Part A Health Savings Account Access Act of 2025'.

Section 2. Purpose. To allow individuals entitled to Medicare Part A to establish and contribute to Health Savings Accounts (HSAs) under section 223 of the Internal Revenue Code, subject to limitations that protect the Medicare trust fund and respect state regulatory authority.

Section 3. Eligibility. An individual is eligible to establish an HSA if they are entitled to Medicare Part A (hospital insurance) under title XVIII of the Social Security Act. Such individuals may make contributions to their HSA in the same manner as other eligible individuals, except that the annual contribution limit is the lesser of: (a) the statutory HSA contribution limit for that year under section 223(b), or (b) the sum of the Medicare Part A deductible and estimated out-of-pocket costs for the year, as determined by the Secretary of Health and Human Services. Contributions after the individual enrolls in Medicare Part A shall not affect the status of the Medicare trust fund, and no federal funds shall be used to match contributions.

Section 4. Tax Treatment. Contributions made under this section shall be treated as deductible from gross income under section 223 of the Internal Revenue Code. Distributions for qualified medical expenses (as defined in section 223(d)(2)) shall be tax-free. The Secretary of the Treasury shall prescribe regulations to ensure uniformity across states and prevent double benefits.

Section 5. Safeguards. (a) The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, shall monitor the impact of this Act on Medicare Part A trust fund solvency and report to Congress annually. If the aggregate tax benefits under this Act exceed \$500 million in any fiscal year, the contribution limits for the following year shall be reduced proportionally. (b) This Act does not preempt any state law regulating health savings accounts or insurance, and states may impose additional requirements consistent with federal law.

Section 6. Sunset. This Act shall expire five years after the effective date, unless reauthorized by Congress.

OPERATIVE PROVISIONS (VFA PROPOSAL)

Funding Source	General revenue, with a \$500 million annual cap on aggregate tax benefits (adjusted for inflation) to protect the Medicare trust fund.
Funding Amount	Up to \$500 million per year in reduced tax revenue, offset by a reduction in the tax exclusion for employer-sponsored health insurance for high-income taxpayers (AGI over \$400,000) as directed by the Joint Committee on Taxation.
Sunset Years	5 years
Oversight Body	Joint oversight by the Secretary of the Treasury (IRS) and the Secretary of Health and Human Services (CMS), with annual reports to Congress.
Enforcement Mechanism	The IRS shall enforce contribution limits and tax treatment. Excess contributions are subject to a 6% excise tax under section 4973 of the Internal Revenue Code, and false claims may result in penalties under 26 U.S.C. § 6701.
Effective Date	January 1, 2026

CONSTITUTIONAL BASIS

- Article I, Section 8, Clause 1 (Congress's power to lay and collect taxes for the general welfare)
- Tenth Amendment (powers not delegated to the United States are reserved to the states; the Act does not commandeer state regulatory authority)
- Fifth Amendment Due Process Clause (uniform application of tax rules across states avoids arbitrary distinctions)

Concerns with the measure as written:

- The original bill may reduce federal income tax revenues, potentially affecting the solvency of the Medicare Part A trust fund through indirect fiscal pressure.
 - If not carefully limited to the taxing power under Article I, Section 8, Clause 1, the bill could be seen as a federal regulation of health savings accounts, encroaching on state authority under the Tenth Amendment.
 - Without uniform application, the bill might create disparities in how HSA rules apply across states, raising due process concerns under the Fifth Amendment.
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WHY BOTH SIDES CAN BACK IT (VFA'S ASSESSMENT)

Democratic priorities: Expands access to tax-advantaged savings for seniors, reduces out-of-pocket burden, and includes safeguards for Medicare trust fund solvency. Republican priorities: Promotes consumer-directed health savings, limits federal spending growth through a budget cap and sunset, and respects state regulatory authority over insurance.

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