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(Original Signature of Member)

114TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

IN THE HOUSE OF REPRESENTATIVES

Mr. PAULSEN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

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 “Primary Care En-
5 hancement Act of 2016”.

1 **SEC. 2. TREATMENT OF DIRECT PRIMARY CARE SERVICE**
2 **ARRANGEMENTS.**

3 (a) IN GENERAL.—Section 223(c) of the Internal
4 Revenue Code of 1986 is amended by adding at the end
5 the following new paragraph:

6 “(6) TREATMENT OF DIRECT PRIMARY CARE
7 SERVICE ARRANGEMENTS.—An arrangement under
8 which an individual is provided coverage restricted to
9 primary care services in exchange for a fixed peri-
10 odic fee or payment for such services—

11 “(A) shall not be treated as a health plan
12 for purposes of paragraph (1)(A)(ii), and

13 “(B) shall not be treated as insurance for
14 purposes of subsection (d)(2)(B).”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to taxable years beginning after
17 the date of the enactment of this Act.

18 **SEC. 3. CERTAIN PROVIDER FEES TO BE TREATED AS MED-**
19 **ICAL CARE.**

20 (a) IN GENERAL.—Section 213(d) of the Internal
21 Revenue Code of 1986 is amended by adding at the end
22 the following new paragraph:

23 “(12) PERIODIC PROVIDER FEES.—The term
24 ‘medical care’ shall include—

25 “(A) periodic fees paid to a primary care
26 physician for a defined set of medical services

1 or the right to receive medical services on an
2 as-needed basis, and

3 “(B) pre-paid primary care services de-
4 signed to screen for, diagnose, cure, mitigate,
5 treat, or prevent disease and promote
6 wellness.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to taxable years beginning after
9 the date of the enactment of this Act.