

October 16<sup>th</sup>, 2024

To: Members of Congress  
From: Americans for Tax Reform  
Re: Support the Health Out-of-Pocket Expense Act

Dear Members of Congress,

I write in support of the *Health Out-of-Pocket Expense (HOPE) Act*, a bipartisan bill [introduced](#) by Congressman Blake Moore (R-Utah). This bill would create a new tax-advantaged savings account for health care expenses that, unlike health savings accounts (HSAs), can be used by those with low-deductible or no-deductible healthcare coverage.

**HOPE Accounts would expand on the success of HSAs, promoting consumer-driven healthcare, reducing taxes, and encouraging lower healthcare spending. All members of Congress should support and co-sponsor this important piece of legislation.**

Since they were created in 2004, HSAs have become a popular and successful vehicle that promotes patient choice in health care. Today, HSAs are used by nearly [72 million Americans](#).

Unfortunately, HSAs can only be used in conjunction with low premium, high deductible health insurance plans. HOPE Accounts can be used alongside low-deductible or no-deductible health plans, while still enjoying two of the three tax advantages conferred on HSAs.

In many ways, HOPE Accounts are to HSAs what Roth retirement accounts are to traditional IRAs.

Specifically, while an individual's contributions wouldn't be tax deductible, employer contributions would be and any investment gains in the account would also be tax-free. Further, HOPE Accounts would be excludible from income and employment tax for individuals with an adjusted gross income of \$100,000 or less and families with AGIs of \$200,000 or less.

Additionally, employers and state programs could contribute up to 50 percent of the annual limit, which is \$4,000 for those with self-only coverage and \$8,000 for joint filers. Contributions to an HSA, FSA, or HRA would "[reduce](#) the maximum contribution to a HOPE Account that year."

**HOPE Accounts would contribute to lower healthcare spending by promoting consumer driven healthcare.** HOPE Accounts are controlled by the individual and follow them between jobs, creating an incentive to spend funds wisely.

722 12<sup>th</sup> Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

[www.atr.org](http://www.atr.org)

Research shows that families and individuals that utilize tax-advantaged health savings funds spend less on health care and use fewer medical services without forgoing necessary primary and preventative care.

**As structured, much like HSAs, HOPE Accounts would be a significant vehicle to pay for healthcare expenses.** HOPE Accounts, like an HSA, would allow for investment gains (which are tax free, as mentioned). An HSA user, for example, can accumulate as much as \$360,000 after contributing to an account for 40 years, assuming a rate of return of just 2.5 percent, [according](#) to the Employee Benefit Research Institute. With a rate of return of 5 percent, an HSA user can accumulate \$600,000 over 40 years.

**HOPE Accounts would reduce taxes for American families.** HOPE Accounts offer a few tax benefits to users – interest and investment is earned tax free, employer contributions are tax free, and low- and middle-income users' accounts would be excludible from income and employment tax.

Importantly, this bill has great potential, as it has already appealed to members of Congress on both sides of the aisle. In introducing this bill, Congressman Moore (R-Utah) was joined by Reps. Jimmy Panetta (D-Calif.), Brian Fitzpatrick (R-Penn.), Brad Schneider (D-Ill.), Adrian Smith (R-Neb.), and Raul Ruiz (D-Calif.).

**All lawmakers who care about promoting healthcare choice, lowering taxes, and lowering healthcare costs should cosponsor and support the *Health Out-of-Pocket Expense (HOPE) Act*.**

Onward,



Grover G. Norquist  
President, Americans for Tax Reform