

## **Act Now to Align Health Savings Accounts with Today's Healthcare Needs**

*By Phil Chrysler, President and CEO of Impact Health Sharing*

For decades, millions of Americans have relied on healthcare sharing arrangements as an alternative to increasingly expensive and impersonal insurance products.

As Congress revisits America's healthcare affordability crisis, it has an opportunity to make three precise and bipartisan fixes that will strengthen consumer choice, reduce financial strain on families, and align federal policy with the realities of how people receive healthcare in 2026 and beyond:

- Remove the ACA's obsolete "1999 date stamp" for healthcare sharing ministries (HCSMs)
- Allow healthcare sharing ministries to pair directly with health savings accounts (HSAs)
- Treat healthcare sharing ministry participation as an HSA-eligible medical expense

Healthcare sharing offers many Americans a trusted, community-based alternative to costly insurance products. Congress can support these families with simple statutory corrections that respect personal freedom and strengthen consumer-directed care.

These reforms would make a meaningful difference for millions of taxpayers without expanding federal spending, altering insurance rules or disrupting the market.

Congress formally recognized healthcare sharing ministries (HCSMs) in the Affordable Care Act (ACA) in 2010, acknowledging that many Americans meet their medical needs outside the traditional insurance market. Healthcare sharing is not insurance: it is an alternative to increasingly expensive and impersonal insurance products. Today, outdated statutory barriers are holding these families back and, in some cases, locking them out of HCSMs entirely.

### **Remove the ACA's Obsolete "1999 Date Stamp" for Healthcare Sharing Ministries**

Under current law, only healthcare sharing ministries that existed on or before December 31, 1999 qualify for federal recognition. This cutoff was not designed to protect consumers. It was simply written into statute as a moment-in-time snapshot. Today, it:

- Blocks new nonprofit ministries from forming
- Freezes innovation
- Restricts patient choice
- Creates an anti-competitive carveout for legacy organizations
- Prevents newer healthcare sharing ministries from operating in states that mirror the ACA definition (and date stamp) in state laws

Innovation is encouraged in every other sector of healthcare. Yet in this case, federal law forces a 25-year freeze. Removing this date stamp is a simple correction that would open the door for nonprofit healthcare sharing ministries to serve patients with the modern tools, technologies, and care models they expect in 2026.

A one-line fix that strikes the date in 26 U.S.C. §5000A(d)(2)(B) is all that is required.

### **Allow Healthcare Sharing Ministries to Pair Directly with Health Savings Accounts (HSAs)**

Health Savings Accounts (HSAs) are one of the most powerful tools for consumer-directed care, yet IRS rules allow their tax benefits **only** for people who buy insurance. Consumers who choose a values-aligned healthcare sharing ministry are shut out entirely. The system rewards insurance with tax breaks and penalizes anyone who opts for a non-insurance model, even if it is more affordable, more transparent, and more consistent with their beliefs. This is not consumer choice; It is a tax code that picks winners and losers.

Congress already recognized HCSMs as legitimate forms of healthcare participation in the ACA. It is time for the HSA statute to reflect the same reality.

A narrow update to §223(c)(1)(A)(i) would allow HCSM members to contribute to HSAs without forcing them to buy insurance coverage they neither want nor can afford. Millions of families would finally gain access to the tax-advantaged savings tool Congress has long promoted as a cornerstone of consumer empowerment.

As healthcare costs continue to rise faster than wages, this flexibility is not only sensible. It is overdue.

## **Treat Healthcare Sharing Ministry Participation as an HSA-Eligible Medical Expense**

The purpose of an HSA is to help individuals pay for medical expenses. However, the predictable monthly contributions and sharing payments associated with HCSMs are not considered qualified medical expenses under §213(d), even though those payments exist specifically to cover medical bills.

This mismatch is a technical oversight, not a policy decision. Updating §213(d) to explicitly include HCSM expenses would allow consumers to use their HSAs in ways that reflect their ethical or religious convictions.

This correction would also provide a practical solution to ongoing concerns related to the Hyde Amendment by allowing individuals to direct funds toward models that do not support services they oppose on moral grounds.

### **A Pro-Consumer Path Forward**

These three reforms represent a rare point of alignment between good policy, consumer choice, and bipartisan common sense:

- Remove the unnecessary 1999 date-stamp barrier to competition
- Allow HCSMs to pair with HSAs in the same manner Congress recognized them in the ACA
- Update §213(d) so HSAs can be used for expenses that directly support the payment of medical needs

These changes are narrow, targeted, and fiscally responsible. They modernize the law to reflect the healthcare marketplace Americans actually live in today rather than the one envisioned in 1999 or 2003. They strengthen families' ability to choose healthcare that aligns with their values. They encourage competition, innovation, and affordability at a moment when all three are urgently needed.

It is time to align HSAs with how Americans choose healthcare today. Together, we can take the next step toward a healthier tomorrow. We invite you to learn more. Join us by simply [adding your name to the petition](#) to help expand consumer choice, and build a system that honors community, accountability and personalize care, without compromising personal beliefs.

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