

S 276

Personalized Care Act of 2025

Congress: 119 (2025–2027, Current)

Chamber: Senate

Policy Area: Taxation

Introduced: Jan 28, 2025

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Jan 28, 2025)

Official Text: <https://www.congress.gov/bill/119th-congress/senate-bill/276>

Sponsor

Name: Sen. Cruz, Ted [R-TX]

Party: Republican • **State:** TX • **Chamber:** Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Marshall, Roger [R-KS]	R · KS		Jan 28, 2025
Sen. Moody, Ashley [R-FL]	R · FL		Jan 8, 2026

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jan 28, 2025

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
119 HR 810	Related bill	Jan 28, 2025: Referred to the House Committee on Ways and Means.

Personalized Care Act of 2025

This bill expands health saving account (HSA) eligibility, increases HSA contribution limits, and makes other HSA-related changes. The bill also expands the definition of medical care for purposes of the itemized tax deduction for unreimbursed medical expenses.

The bill eliminates the requirement that an individual must be covered by a high-deductible health plan to establish and contribute to an HSA. Under the bill, an *eligible individual* is defined as (1) a health care sharing ministry participant, or (2) individual covered under

- a group or individual health plan;
- health insurance (including a short-term limited duration and medical indemnity plan); or
- a government plan (including Medicare Part A and B, Medicaid, the Children's Health Insurance Program, certain military and government employee health benefit programs, and the Indian Health Service and tribal organization programs).

The bill increases annual HSA contribution limits to \$10,800 (from \$4,300 in 2025) for self-only coverage and \$29,500 (from \$8,550 in 2025) for family coverage, adjusted annually for inflation.

The bill expands the qualified medical expenses that may be paid for with HSA distributions to include health insurance payments (e.g., premiums), direct care fees, and certain amounts paid by health care sharing ministry participants.

The bill decreases the penalty to 10% (from 20%) for nonqualified HSA distributions.

Finally, under the bill, direct care fees and fees paid for membership in a health care sharing ministry qualify as medical care for purposes of the itemized tax deduction for unreimbursed medical expenses.

