

HSA + DPC = A NEW ERA IN AFFORDABLE HEALTHCARE

Under the One Big Beautiful Bill Act (OBBBA), effective January 1, 2026, Direct Primary Care (DPC) memberships are HSA-eligible, meaning DPC arrangements will no longer disqualify employees from contributing to HSAs, and memberships are officially considered qualified medical expenses. This shift gives employers a clear path to offer DPC as a tax-advantaged benefit alongside high-deductible health plans. Below are the primary aspects to this change. To qualify, DPC fees must stay within the law's limits:

- \$150 per month (individual coverage)
- \$300 per month (family coverage)

DPC = Qualified Medical Expense

- The new legislation (effective 2026) formally recognizes DPC membership fees as a qualified medical expense.
- This means employees can use HSA funds for DPC, and employers can treat DPC as a legitimate, tax-advantaged health benefit.

Employer Payment Options

- **Employer-Paid DPC Fees:** Employers can directly pay for DPC memberships as part of their health plan offering.
- Those payments are treated the same way as other employer-provided health benefits — tax-deductible to the employer and not taxable income to the employee (within the fee caps).

Compliance Safeguard

- Paying for DPC does not disqualify employees from contributing to an HSA (a major shift from past IRS guidance).
- Employers can wrap DPC into a plan design alongside HDHPs and still preserve HSA eligibility.
- Employers cannot pay for ancillary fees, such as prescription medications, lab tests, or any other ancillary service available through the DPC clinic. However, members can pay for these using HSA funds.

How They Become Pre-Tax Benefits:

When Paid by an Employer

- If an employer pays for qualified medical expenses (like premiums, DPC memberships, or HSA contributions) as part of a health plan or pre-tax benefit program, those payments are typically:
 - Tax-deductible for the employer, and
 - Excludable from the employee's taxable income.

When Paid Through a Pre-Tax Account

- Qualified medical expenses can also be reimbursed through HSAs, FSAs, or HRAs using pre-tax contributions.
- The employee sets aside money before taxes, reducing taxable income.
- DPC membership fee can count towards the member's health plan deductible.

Important Nuance

- Qualified medical expenses can also be reimbursed through HSAs, FSAs, or HRAs using pre-tax contributions.
- The employee sets aside money before taxes, reducing taxable income.
- DPC membership fee can count towards the member's health plan deductible.

WHY IT MATTERS

Affordable Access



Employees get unlimited primary care access for a predictable monthly fee—now payable with tax-advantaged dollars.

Proactive Health



DPC emphasizes same-day or next-day visits, extended appointments, and proactive health management.

Lower Total Costs



Early intervention and better care coordination help reduce expensive ER visits, urgent care trips, and hospitalizations.

LET'S WORK TOGETHER ON MAKING HSA+DPC A PART OF YOUR BENEFITS!

Reach out to Sharon Hodnett at Sharon@PHPDPC.COM or 405.664.3332