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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to authorize payment or reimbursement for coverage under certain dental service arrangements using amounts made available through health savings accounts and health flexible spending arrangements.

IN THE HOUSE OF REPRESENTATIVES

Mr. MOORE of Utah introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to authorize payment or reimbursement for coverage under certain dental service arrangements using amounts made available through health savings accounts and health flexible spending arrangements.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Dental Freedom and Tax Savings Act of 2026''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Non-insurance dental service arrangements promote affordable access to preventive and routine dental care for individuals and families.

(2) Such arrangements are analogous to direct primary care service arrangements, for which Congress has clarified eligibility for health savings account treatment under section 223 of the Internal Revenue Code of 1986.

(3) Clarifying the tax treatment of such arrangements will improve oral health outcomes, reduce administrative costs, and expand consumer choice.

SEC. 3. TREATMENT OF EXPENSES FOR COVERAGE UNDER CERTAIN DENTAL SERVICE ARRANGEMENTS.

(a) TREATMENT WITH RESPECT TO HEALTH SAVINGS ACCOUNTS.—Section 223(d)(2) of the Internal Revenue Code of 1986 is amended—

(1) in subparagraph (C)—

(A) in clause (iv), by striking ''or'' at the end,

(B) in clause (v), by striking the period at the end and inserting '', or'', and

(C) by adding at the end the following new clause:

''(vi) any direct dental care service arrangement.'', and

(2) by adding at the end the following new subparagraph:

''(E) DIRECT DENTAL CARE SERVICE ARRANGEMENT.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'direct dental care service arrangement' means, with respect to any individual, an arrangement under which—

''(I) such individual is provided dental services or products,

''(II) the sole compensation for such care is—

''(aa) a fixed periodic fee, or

''(bb) a fee per service,

''(III) the cost of such compensation is paid by—

''(aa) such individual (whether or not reimbursed to such individual by such individual's employer), or

''(bb) such individual's employer, and

''(IV) no insurance risk is assumed, transferred, pooled, or underwritten.

''(ii) REGULATIONS.—The Secretary shall issue such regulations and other guidance as may be necessary or appropriate to determine which arrangements constitute direct dental care service arrangements.''.

(b) TREATMENT WITH RESPECT TO HEALTH FLEXIBLE SPENDING ARRANGEMENTS.—Section 125 of such Code is amended—

(1) by redesignating subsections (k) and (l) as subsections (l) and (m), respectively, and

(2) by inserting after subsection (j) the following new subsection:

''(k) ELIGIBILITY OF DIRECT DENTAL CARE SERVICE ARRANGEMENT EXPENSES FOR REIMBURSEMENT UNDER HEALTH FLEXIBLE SPENDING ARRANGEMENTS.—Any amount paid by an employee for coverage of such employee, the spouse of such employee, and any dependent (as defined in section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof) of such employee under any direct dental care service arrangement (as defined in section 223(d)(2)(E)) shall be reimbursable with respect to such employee under a health

flexible spending arrangement provided under a cafeteria plan with respect to such employee to the same extent as any other expense paid by such employee for medical care (as defined in section 213(d)) for such employee, the spouse of such employee, and any dependent of such employee.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.