

One Big Beautiful Bill Act HSA, FSA Provisions



On July 4, 2025, President Donald Trump signed the One Big Beautiful Bill Act into law. The final version of the bill includes several provisions that expand the use and access to Health Savings Accounts, as well as one additional provision impacting the Dependent Care FSA maximum.

Employer Action Steps

Review the HSA changes with your benefits broker/consultant to determine how the new provisions will impact your current and future plan offerings.

Amend your Section 125/FSA Plan Document to allow for the higher Dependent Care FSA contribution limit.

For FSA plans administered by HRPro, we will be communicating how employers can execute such an amendment later on in 2025.

If the higher Dependent Care FSA limit is adopted, ensure that enrollment and payroll systems are updated to account for the higher maximum.

If you have additional questions regarding this bill, please contact your HRPro Account Manager.

HSA Provisions

Any Bronze or Catastrophic plan offered in the individual market on a state insurance exchange under the Affordable Care Act (ACA) will be considered “HSA-qualified” coverage. Under current law, the vast majority of such plans are not HSA compatible, meaning that an individual is not eligible to contribute to an HSA while covered by such a plan. *This change is effective beginning January 1, 2026.*

HSA funds can be used tax free to pay periodic fees for direct primary care (DPC) arrangements. The provision also clarifies that DPC arrangements are not considered a separate health plan that would otherwise disqualify an individual from HSA eligibility. These provisions apply only to DPC arrangements with a monthly fee of \$150 or less (\$300 if the arrangement covers more than one individual). Under current law, anyone enrolled in DPC is not eligible to contribute to an HSA, although they may also be enrolled in an HSA-qualified health insurance plan. *This change is effective beginning January 1, 2026.*

The safe harbor for pre-deductible telemedicine coverage has been restored and made permanent. This allows HSA-qualified high deductible health plans (HDHPs) to offer this coverage. *This change is retroactive to plan years beginning after December 31, 2024.*

Dependent Care FSA Provision

The Dependent Care FSA maximum contribution limit has been increased to \$7,500. The limit was previously set at \$5,000 since it was originally set back in 1986, with the exception of the temporary increase allowed by the American Rescue Plan Act of 2021. *This change is effective for tax years beginning after December 31, 2025.*