Big, Beautiful Bill Additional Policies of Note
Click here for the final bill

Sec. 70416. Expanding application of tax on excess compensation within tax-exempt organizations.

- Requires for all tax-exempt organizations to pay an excise tax on excess compensation paid to any employee that receives remuneration in excess of $1 million equal to the corporate tax rate multiplied by the sum of (1) any remuneration in excess of $1 million paid to a covered employee for a taxable year, and (2) any excess parachute payment paid to a covered employee.
- While this was intended to target Universities, however the new law impact ALL tax-exempt organizations, including health systems and hospitals.
- Applies to taxable years after Dec. 31, 2025.

Sec. 71121. Making certain adjustments to coverage of home or community-based services under Medicaid.

- Will allow states to apply for waivers to offer home care services, including medical assistance (other than room and board), to more people beginning on July 1, 2028, under Section 1915(c) of the Social Security Act. (Expands current program to more people under Medicaid, click here.)
    - States shall establish needs-based criteria for eligible people and whether they require hospital, nursing facility, or an intermediate care facility level of care as well as attest that expenditures will not exceed the cost of facility-level care.
    - Additional funds for this provision will be $50 million FY 2026, and $100 million in FY 2027, payments to the States will be based on the number of people eligible for HCBS services.
- This was a provision added in by the Senate and was not in the House-passed bill.

Sec. 71308. Treatment of direct primary care service arrangements.

- Will allow participants enrolled in a high-deductible health plan (HDHP) with a Health Savings Account (HSA) to participate in direct primary care (DPC) benefits.
    - These arrangements typically charge a monthly fee to cover services like office visits for acute illness or chronic conditions, which an HDHP can only cover after the deductible is met.
    - DPC arrangements under this new provision are prohibited from providing procedures requiring the use of general anesthesia, prescription drugs other than vaccines, and laboratory services not typically administered in an ambulatory primary care setting.
    - The new law makes DPCs compatible with HSAs provided that the DPC monthly fees do not exceed $150/month for individuals and $300/month for family coverage, adjusted annually for inflation. It also provides that the DPC fees are a qualified medical expense that can be paid tax-free from HSAs.
- This change is effective beginning January 1, 2026.