Congress Extends Pre-Deductible Telehealth Coverage for HDHPs

The Consolidated Appropriations Act, 2023 (CAA), which was signed into law on Dec. 29, 2022, extends the ability of high deductible health plans (HDHPs) **to provide benefits for telehealth or other remote care services before plan deductibles have been met** without jeopardizing health savings account (HSA) eligibility. This extension applies for plan years beginning after Dec. 31, 2022, and before Jan. 1, 2025.

Background

To be eligible for HSA contributions, individuals cannot be covered under a health plan that provides benefits, except preventive care benefits, before the minimum HDHP deductible is satisfied for the year. As a general rule, telehealth programs that provide free or reduced-cost medical benefits before the HDHP deductible is satisfied are disqualifying coverage for purposes of HSA eligibility.

However, effective Jan. 1, 2020, the CARES Act allowed HDHPs to provide benefits for telehealth or other remote care services before plan deductibles were met. This relief applied for plan years beginning before Jan. 1, 2022. A spending bill extended this relief to telehealth services provided in months beginning after March 31, 2022, and before Jan. 1, 2023. The CAA further extends this first-dollar coverage for telehealth services to plan years beginning after Dec. 31, 2022, and before Jan. 1, 2025.

Impact of the Extension

HDHPs may choose to waive the deductible for any telehealth services for plan years beginning in 2023 and 2024 without causing participants to lose HSA eligibility. This provision is optional; HDHPs can continue to choose to apply any telehealth services toward the deductible. Note that there is a gap for non-calendar-year plans from Jan. 1, 2023 (when the spending bill's extension expired) to the start of the 2023 plan year, during which this temporary relief for telehealth services does not apply.

Provided to you by **Pierce Group Benefits**

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Important Dates

Jan. 1, 2022

The CARES Act allowed pre-deductible coverage of telehealth services for plan years beginning before Jan. 1, 2022.

April 2022-December 2022

A spending bill extended this relief to telehealth services provided from April 2022 through the end of 2022.

2023 and 2024 Plan Years

The CAA extended this relief for plan years beginning after Dec. 31, 2022, and before Jan. 1, 2025.

HDHPs may waive the deductible for telehealth services without jeopardizing HSA eligibility for plan years beginning in 2023 and 2024.