

Legal Update

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Spending Bill Extends Telehealth Coverage for HDHPs

A [spending bill](#) signed into law on March 15, 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 to any telehealth services from April 2022 through the end of the year.

Background

HSA contribution rules strictly limit the types of health plan coverage that eligible individuals may have. As a general rule, telemedicine 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, for plan years beginning before Jan. 1, 2022, the [Coronavirus Aid, Relief and Economic Security Act](#) (CARES Act) allowed HDHPs to provide benefits for telehealth or other remote care services before plan deductibles have been met. This means that HDHPs could provide coverage for telehealth services before the required minimum deductible has been reached without jeopardizing plan participants' eligibility for HSA contributions. This rule expired for plan years beginning in 2022.

Impact of the Extension

Under the 2022 spending bill, HDHPs may choose to waive the deductible for any telehealth services from April 2022 through the end of the year 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 telemedicine services provided between Jan. 1, 2022, and April 1, 2022, generally must still be counted toward the HDHP deductible to avoid jeopardizing participants' eligibility for HSA contributions.

Important Dates

Jan. 1, 2022

The CARES Act rule allowing pre-deductible coverage of telehealth services expired for plan years beginning in 2022.

March 15, 2022

A spending bill extended the rule to apply through 2022.

April 2022 – Dec. 2022

This extension applies to any telehealth services from April 2022 through the end of the year.

HDHPs may waive the deductible for telehealth services from April 2022 through the end of the year without jeopardizing HSA eligibility.

