

BLOG

Telehealth Relief for HSA-Compatible HDHPs Is Back for Part of 2022

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On March 15, 2022, President Biden signed into law the [Consolidated Appropriations Act of 2022](#) (CAA 2022), which provides government funding for the rest of 2022. Tucked into the provisions of CAA 2022 is an extension of the temporary safe harbor Health Savings Account (HSA) relief for telehealth services that was previously provided under the CARES Act of 2020. This temporary relief under CAA 2022 applies prospectively for 2022 and is applicable from April 1, 2022 through December 31, 2022.



Background

The CARES Act of 2020 created a temporary safe harbor that permitted HSA-compatible high deductible health plans (HDHP) to cover telehealth and remote care services on a first-dollar basis, or prior to members satisfying their HDHP deductible. This temporary relief allowed HDHPs to offer telehealth and other remote care services without violating IRS “first-dollar rules,” which require HSA participants to satisfy their deductible before receiving most non-preventive services coverage. This relief expired on December 31, 2021. Click [here](#) for a previous article on this topic.

CAA 2022

The CAA 2022 reinstated the temporary safe harbor for 2022 on a prospective basis from April 1, 2022 to December 31, 2022.

Calendar year HSA-compatible HDHPs who terminated pre-deductible telehealth coverage on December 31, 2021 may now reinstate it beginning on April 1, 2022 through the end of 2022. This means that non-preventive telehealth services received from January 1, 2022 - March 31, 2022 must still satisfy the HDHP deductible to preserve HSA eligibility.

Non-calendar year HSA-compatible HDHPs may still be subject to existing CARES Act relief, as applicable to their plan year, and would then be able to take advantage of the CAA 2022 relief for the remainder of 2022. For example, an HDHP with a plan year that begins on June 1, 2022 would provide telehealth and remote care services on a first-dollar basis under the CARES Act through May 31, 2022 and then may adopt the CAA 2022 relief through December 31, 2022.

This temporary safe harbor relief is optional. Employers with HSA-compatible HDHPs must decide whether to adopt this temporary relief once again for the remainder of 2022, recognizing the potential accompanying administrative burden. On the other hand, adopting this temporary relief for the remainder of 2022 will be a welcome change for those HSA-compatible HDHP participants who continue to value telehealth and remote care coverage.

Employer Decisions and Next Steps

1. Employers with fully-insured high deductible health plans will need to confirm if their insurance carrier will permit this CAA 2022 telehealth relief.
2. Employers with self-funded plans should coordinate with their third-party administrator to decide if they will permit this relief for the remainder of 2022.
3. When making this decision, employers are advised to consider the cost impact to the plan.
4. Employers are advised to clearly communicate this change to employees (as it can be confusing) and update Summary Plan Descriptions via a Summary of Material Modifications notice.

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