
CAA 2022 Temporarily Revives Telehealth Relief for HDHPs While Creating Coverage Gap for 2022

March 2022

The Consolidated Appropriations Act 2022 (CAA 2022 - H.R. 2471) signed into law by President Biden on March 15, 2022, temporarily revives the provision allowing a high-deductible health plan (HDHP) to offer access to telehealth coverage and other remote care without adversely impacting an HDHP participant's ability to make or receive contributions to a health savings account (HSA). This relief provision is effective on a prospective basis starting April 1, 2022, and ending December 31, 2022.

Background

The Internal Revenue Code generally does not allow an HDHP to provide benefits for any year until the statutory HDHP minimum deductible is satisfied. As a result, an HDHP cannot offer telehealth and other remote care services to an HDHP participant prior to satisfaction of the HDHP minimum deductible, since doing so would result in the participant losing eligibility to contribute to an HSA.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and Internal Revenue Service (IRS) Notice 2020-29 issued temporary relief allowing an HDHP to provide first-dollar coverage of telehealth and other remote care services to covered individuals prior to satisfying the HDHP deductible without jeopardizing participant eligibility to contribute to an HSA. The relief guidance also allowed participants to have stand-alone telehealth coverage prior to satisfying the HDHP deductible without adversely impacting eligibility to contribute to an HSA. This temporary telehealth relief guidance expired at the end of plan years beginning in 2021.

CAA 2022

The CAA 2022 revives and temporarily extends the CARES Act's telehealth relief provisions starting April 1, 2022, and ending December 31, 2022. Because the temporary relief is not retroactive to January 1, 2022, employers with calendar year plans will need to address the three-month gap where telehealth coverage on a pre-deductible basis renders HDHP participants ineligible to contribute to an HSA. Similarly, employers with non-calendar year plans will need to monitor any potential gaps that may arise and continue into 2023. The IRS has not issued guidance on how employers should address this issue.

Action Step for Employers

Employer sponsors of HDHPs that wish to offer this temporary relief to participants must amend their plans to provide for the pre-deductible telehealth coverage and issue a summary of material modifications or a revised summary plan description to communicate the change to their employees. Given the short-term nature of the relief, employers should carefully craft communications to identify any coverage gaps.



Resources

The text of CAA 2022 - H.R. 2471 is available [here](#).



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