



COMPLIANCE BULLETIN

TELEHEALTH RELIEF PERMITTING HSA ELIGIBILITY SET TO EXPIRE 2025

To encourage individuals to avoid hospitals when appropriate during the COVID-19 health crises, Congress passed relief permitting coverage for telehealth services before satisfying the deductible of the HDHP while maintaining HSA eligibility. This relief is set to expire with plan years beginning in 2025.

Normally a telehealth plan (whether stand-alone or built into a group health plan) is disqualifying coverage and causes a loss of HSA eligibility unless the telehealth plan has a deductible or charges fair market value (FMV) each time participants use the service until the minimum deductible required for a qualifying HDHP is met. Therefore, unless congressional action occurs, beginning in 2025, offering a telehealth option that provides more than preventive care with no cost to participants will result in ineligibility to make or receive HSA contributions.

POTENTIAL CONGRESSIONAL SOLUTIONS

There appears to be bipartisan support for extending this relief beyond 2024 plan years, but it isn't clear what this relief may look like or whether Congress will be successful in including it in end of year legislation. However, with the upcoming election and the expiration date for the relief fast approaching, this seems unlikely. It is perhaps more likely that another temporary relief extension will be included in end of the year budget legislation.

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