



# LEGAL UPDATE



## CONGRESS PERMANENTLY EXTENDS PRE-DEDUCTIBLE TELEHEALTH COVERAGE FOR HDHPs/HSAs

On July 4, 2025, President Donald Trump signed a [major tax and spending bill](#) (commonly referred to as the "One Big Beautiful Bill Act") into law. The legislation includes measures to expand the use of health savings accounts (HSAs). One of the new measures **permanently extends** the ability of high deductible health plans (HDHPs) to provide benefits for telehealth and other remote care services before plan deductibles have been met without jeopardizing HSA eligibility. This extension applies to plan years beginning after Dec. 31, 2024.

### BACKGROUND

To be eligible for HSA contributions, individuals cannot be covered by a health plan that provides benefits, except preventive care benefits, before the minimum HDHP deductible is satisfied for the year. Historically, individuals who were covered by telehealth programs that provided free or reduced-cost medical benefits were not eligible for HSA contributions.

However, in response to the COVID-19 pandemic, the U.S. Congress enacted legislation that temporarily allowed HDHPs to provide benefits for telehealth or other remote care services before plan deductibles were met. This relief became effective in 2020 and applied to plan years beginning before Jan. 1, 2022. A federal spending bill extended this relief to telehealth services provided in months beginning after March 31, 2022, and before Jan. 1, 2023. At the end of 2022, Congress further extended this first-dollar coverage for telehealth services to plan years beginning after Dec. 31, 2022, and before Jan. 1, 2025.

This exception for first-dollar telehealth services expired at the end of the 2024 plan year (i.e., Dec. 31, 2024, for calendar-year HDHPs). However, the new legislation **permanently extends this relief, effective for plan years beginning on or after Jan. 1, 2025.**

### IMPACT OF EXTENSION

Due to the permanent extension, HDHPs may waive the deductible for any telehealth or other remote care services for plan years beginning in 2025 and beyond without causing participants to lose HSA eligibility. This provision is optional; HDHPs can apply any telehealth services, other than preventive care, toward the deductible.

Employers with HDHPs should review their health plan's coverage of telehealth services to determine if changes should be made. Any changes to telehealth coverage should be communicated to plan participants through an updated Summary Plan Description or a Summary of Material Modifications.

### HIGHLIGHTS

- + To be compatible with HSA contributions, an HDHP generally cannot pay benefits until the minimum deductible has been satisfied.
- + A pandemic-related relief measure temporarily allowed HDHPs to waive the deductible for telehealth services without impacting HSA eligibility. This relief expired at the end of the 2024 plan year.
- + The new legislation permanently extends this relief.

