Year-End Legislation Also Impacts Health Plans

PUBLISHED ON
January 17, 2023

While the 2023 Consolidated Appropriations Act ("CAA") contains many retirement-related provisions, it also extends a popular rule for high deductible health plans ("HDHP") first introduced by the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

The CARES Act offered welcomed relief for employees who were suffering financial distress due to a COVID-19-related adverse employment change or personal health issues. One such CARES Act provision allowed employers sponsoring an HDHP to pay for telehealth services without regard to the deductible. This was significant because an HDHP is generally only permitted to reimburse non-preventive services after the deductible has been satisfied. Only individuals covered under an HDHP are permitted to take advantage of the tax benefits of a health savings account. The CAA extends this favorable CARES Act provision thereby allowing HDHP plan sponsors to continue to reimburse telehealth services before the deductible is met through plan years beginning before January 1, 2025, without losing its status as an HDHP.

If you have any questions about these new regulations and requirements, please contact Mark Smith or anyone in the Barley Snyder Employee Benefits Practice.

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