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Benefit and Retirement Advisors

Telehealth Exception Has Expired for Calendar-year HDHP/HSA Plans

In response to the COVID-19 pandemic, the U.S. Congress enacted legislation that temporarily allowed high deductible health plans (HDHPs) to provide benefits for telehealth services before plan deductibles were met. This relief became effective in 2020 and was repeatedly extended. It currently applies to **plan years beginning before Jan. 1, 2025**. This means the relief ended on Dec. 31, 2024, for HDHPs with the calendar year as their plan year.

As background, to be eligible for health savings account (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. Generally, individuals who are covered by telehealth programs that provide free or reduced-cost medical benefits are not eligible for HSA contributions. However, due to the pandemic-related relief, HDHPs have been able to waive the deductible for telehealth services without jeopardizing individuals' HSA eligibility.

Starting in 2025, providing telemedicine benefits other than just preventive care at no cost (or low cost) to participants makes them ineligible for HSA contributions. There has been bipartisan support to extend telemedicine relief for HDHPs either permanently or temporarily; however, Congress failed to extend this relief at the end of 2024. It remains to be seen if Congress will revive this relief in 2025.

Action Steps

Employers with HDHPs should review their health plan's coverage of telehealth services to determine if changes should be made for the plan year beginning in 2025. For plan years beginning in 2025, the minimum HDHP deductible is \$1,650 for self-only coverage and \$3,300 for family coverage. Any changes to telehealth coverage should be communicated to plan participants through an updated summary plan description or a summary of material modifications.

Provided to you by TruePlan Benefit and Retirement Advisors

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