



March 11, 2020

IRS Provides Relief for High-Deductible Health Plans to Provide COVID-19 Testing and Treatment

On March 11, 2020 the IRS issued Notice 2020-15 (the “Notice”) which allows high-deductible health plans (“HDHPs”) to provide medical care services associated with testing for and treatment of COVID-19 (the coronavirus) without a deductible and without jeopardizing an otherwise eligible individual’s ability to contribute to a health savings account (“HSA”).

Background

An HDHP is a health plan that satisfies certain requirements. Among those requirements is that the plan have a minimum annual deductible of at least \$1,400 for self-only coverage or \$2,800 for family coverage in 2020 and that the plan cannot provide benefits for any year until the deductible is satisfied. An exception to that requirement exists for preventive care. In general, to be eligible to contribute to an HSA, an individual must be enrolled in an HDHP that satisfies the statutory requirements, not be covered by any other health plan that is not an HDHP, not be entitled to benefits under Medicare, and not be claimed as a dependent on another person’s tax return.

HDHP Coverage for COVID-19 Testing and Treatment

The Notice is intended to remove barriers to testing for and treatment of COVID-19. Until further guidance is issued, a health plan that otherwise satisfies the requirements to be an HDHP will not fail to be an HDHP merely because the plan provides health benefits associated with testing for and treatment of COVID-19 without a deductible, or with a deductible below the minimum required deductible (self-only or family) for an HDHP. Specifically, all medical care services received and items purchased associated with testing for and treatment of COVID-19 that are provided by a health plan without a deductible, or with a deductible below the required minimum annual deductible, will be disregarded for purposes of determining whether the plan is an HDHP. This means that individuals who are otherwise eligible to contribute to an HSA remain eligible to contribute to an HSA even if the HDHP in which the individual is enrolled provides medical care services associated with testing for and treatment of COVID-19 without a deductible (or with a deductible that is less than the required minimum deductible).

Next Steps

Employers who want to offer COVID-19 testing and treatment under their HDHPs without a deductible (or with a lower deductible) should:

- Contact their third-party administrator or insurance company to implement the change.
- Prepare and adopt a plan amendment.
- Send a summary of material modification to participants and beneficiaries that clearly explains how COVID-19 testing and treatment services will be provided under the HDHP and the new deductible that applies to such services.

If you have any questions regarding HDHPs or need assistance in amending your plan and communicating the change, please contact a member of the Kutak Rock [Employee Benefits Practice Group](#).

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