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The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law on March 27, 2020. Among other things, the CARES Act offered temporary relief related to telehealth and other remote care services when offered with a qualified high deductible health plan (“HDHP”) and health savings account (“HSA”).

Specifically, for plan years beginning on or before December 31, 2021, telehealth and other remote care services may be offered before satisfaction of the deductible without jeopardizing an individual’s eligibility to contribute to an HSA.

Unless further extended by legislation or regulation, this relief expires for plan years that begin on or after January 1, 2022. Employers that took advantage of this relief should now plan to charge a fair market value for telehealth or other remote care services for participants to retain HSA eligibility.

While there is support for further extending or making permanent this relief, to date there has been no legislative or regulatory action.

Employer Action

Employers with HDHPs that offered free (or reduced cost) telehealth or remote care services prior to satisfaction of the deductible should prepare to adjust their plan offerings and charge a fair market value for these services effective with the first plan year that begins on or after January 1, 2022.

We will continue to monitor developments in this area.