

# COVID-19 Relief for HDHPs Is Ending

July 5, 2023

## Quick Facts

- In March 2020, the Internal Revenue Service (IRS) provided relief for COVID-19 testing and treatment.
- In March 2023, the Departments released updated guidance extending high deductible health plan (HDHP) relief until further notice.
- In June 2023, the IRS released Notice 2023-37 ending HDHP relief for COVID-19 testing and treatment on or before December 31, 2024.

## Important Update

On June 23, 2023, the IRS issued [Notice 2023-37](#), which modifies guidance released in 2020 regarding benefits for the testing and treatment of COVID-19. Specifically, Notice 2023-37, ends the previous relief for HDHPs to cover COVID-19 testing and treatment without cost-sharing for plan years effective on or before December 31, 2024. The IRS also clarified that COVID-19 testing and treatment are not considered preventive care under the IRS safe harbor described in [Notice 2004-23](#), allowing for certain screenings to be covered as preventive services.

## Background Guidance

### IRS Notice 2020-15

Issued March 11, 2020, in light of the COVID-19 emergency, [IRS Notice 2020-15](#) allowed benefits related to testing and treatment of COVID-19 to be provided by an HDHP without first satisfying the deductible. The IRS provided the relief to help eliminate any administrative and financial barriers to testing for and treating COVID-19. The IRS relief was necessary at the time it was introduced, to allow HDHPs to provide COVID-19 medical care to participants. The IRS guidance permits first-dollar coverage of any provider visits (in-person, urgent care, emergency room, telehealth, or other visits) related to testing for and treatment of COVID-19 prior to satisfying the deductible. Accordingly, a plan participant covered by an HDHP that provides COVID-19 health benefits without a deductible would not lose eligibility to contribute to a health savings account (HSA). For more information review our previous [Compliance Matters Alert](#).

### FAQs Part 58

On March 29, 2023, the Departments of Labor, Health and Human Services (HHS), and the Treasury (the Departments) issued [Frequently Asked Questions Part 58](#) (FAQs Part 58), which addresses changes in various rules as the result of the end of the COVID-19 National Emergency (NE) and the Public Health Emergency (PHE).

One of the FAQs states that, until further guidance is issued, an individual covered by an HDHP that provides medical care services and items purchased related to testing for and treatment of COVID-19

prior to the satisfaction of the applicable minimum deductible may continue to contribute to an HSA. The FAQ goes on to say that the Departments are reviewing the appropriateness of continuing the relief in Notice 2020-15 given the anticipated end of the COVID-19 National Emergency and the PHE, and anticipate issuing additional guidance soon. For more information about FAQs Part 58 review our previous [Compliance Matters Alert](#).

## Summary

The IRS has allowed relief for HDHPs with HSAs to cover COVID-19 testing and treatment without cost-sharing since March 2020 until further notice. The recent IRS guidance allows plans to continue covering COVID-19 tests and treatment at no cost-sharing without jeopardizing HSA eligibility through plan years ending on or before December 31, 2024. Allowing a long transition period should help employers have time to make plan design decisions and effectively communicate changes to plan participants.

## EPIC Employee Benefits Compliance Services

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