



COMPLIANCE ALERT



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IRS Confirms COVID-19 Testing and Treatment Will not Impact High Deductible Health Plan Status

On March 11, 2020, the IRS issued [Notice 2020-15](#) (the Notice), which addresses the impact of 2019 Novel Coronavirus (COVID-19) “testing and treatment” on qualified High Deductible Health Plan (HDHP) status and Health Savings Account eligibility. The Notice provides that a health plan that otherwise satisfies the requirements to be a HDHP under IRC 223(c)(2)(A) will not fail to be an HSA compatible HDHP merely because the health plan provides medical care services and items purchased related to testing for and treatment of COVID-19 prior to the satisfaction of any applicable minimum deductible. As a result, the individuals covered by a qualified HDHP will not fail to be HSA eligible merely because such benefits have been provided.

The breadth of this relief is unprecedented in that the Notice provides, “that *all medical care services received and items purchased associated with testing for and treatment of COVID-19 . . . will be disregarded for purposes of determining the status of the plan as an HDHP.*” (Emphasis added.) However, the IRS cautions that the Notice does not modify previous guidance with respect to the requirements to be an HDHP in any manner other than with respect to the relief for testing and treatment of COVID-19, but notes that vaccinations continue to be considered permitted preventive care under IRC 223(c)(2)(C) for purposes of determining whether a health plan is a HDHP.

While the Notice provides flexibility to HDHPs to provide benefits for testing and treatment of COVID-19 without application of a deductible or cost-sharing, individuals participating in HDHPs should consult their own health plan regarding benefits for testing and treatment of COVID-19, including whether any deductible or cost-sharing will apply.

Compliance Alert is presented by the Compliance Practice Group of Alliant Employee Benefits

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