

Federal Law Extends Relief for Telehealth Coverage Prior to Satisfying HDHP Deductible

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PRACTICES Telehealth, Employee Benefits and Executive Compensation

The federal spending bill recently enacted on December 29, 2022, entitled “The Consolidated Appropriations Act, 2023” (“**CAA 2023**”), extends for an additional two years the optional relief previously provided under the CARES Act and the Consolidated Appropriations Act, 2022 (collectively, the “**Prior Legislation**”) regarding the ability of a high deductible health plan (“**HDHP**”) to cover telehealth services without application of the deductible. Under the Prior Legislation, which applied to plan years beginning on or before December 31, 2021, and months beginning after March 31, 2022 and before January 1, 2023, a participant in an HDHP that adopted the relief could obtain pre-deductible telehealth services without compromising his or her ability to make contributions, or have contributions made, to a health savings account. See our prior posts about the Prior Legislation relief [here](#) and [here](#).

Under the CAA 2023, the telehealth relief is further extended to also apply to plan years beginning after December 31, 2022 and before January 1, 2025.

As with the Prior Legislation relief, the relief for telehealth services under the CAA 2023 is optional. Employers that want to adopt the CAA 2023 relief should contact their third-party claims administrators (for self-funded plans) or insurance carriers (for fully insured plans) to ensure that partial year relief can be administered. In addition, an impacted employer must communicate with employees and determine whether a plan amendment and SPD update for the HDHP are required. Cafeteria plans that provide for a health flexible spending account option that is compatible with health savings account participation (*i.e.*, a “limited purpose health flexible spending account”) may also require an amendment to permit continued reimbursement of telehealth expenses under such option.

The CAA 2023 is available [here](#).