

Blog Post

IRS Issues Helpful Coronavirus-Related Guidance for Employers with High Deductible Health Plans

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By [Beth Alcalde](#)

Benefit plan sponsors are responding to participant questions about the coronavirus/COVID-19. In particular, employers' HR departments are fielding questions about whether their health plan will pay for any necessary testing and/or treatment. Both full-insured and self-funded plans are widely announcing plans to waive the cost of physician-ordered tests. But until now, there was one huge open question. Could participants in certain consumer-driven health plans actually take advantage of those financial offerings without adverse tax implications? That issue is created because the Internal Revenue Service (IRS) has rigid requirements on High Deductible Health Plans (HDHP) in order to allow participants to also contribute to a Health Savings Account (HSA). In general, if an HSA participant has not met the required deductible, any non-preventive services cannot be discounted or offered for free. Absent any guidance from the IRS, therefore, employers with multiple health plan options would have been able to offer free tests to some employees but not to others.

Fortunately for employers and employees alike, on Wednesday, March 11, 2020, the IRS issued [Notice 2020-15](#), confirming that a health plan will not fail to satisfy the HDHP requirements, and a participant will not be disqualified from contributing to a HSA,

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simply because the health plan provides health benefits associated with testing for and treatment of COVID-19 without a deductible, or with a deductible below the minimum statutory deductible required for an HDHP.

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