*Wolters Kluwer - CCH Resource Library, powered by IntelliConnect*

*Sample Client Letter: HSA High-Deductible Health Plans Can Cover Coronavirus Costs*

**Re: HSA High-Deductible Health Plans Can Cover Coronavirus Costs**

Dear Client:

The IRS has provided emergency relief for health savings accounts (HSAs) and COVID-19 health plans costs to remove barriers for testing and treatment of COVID-19. Under this relief, health plans that otherwise qualify as high-deductible health plans (HDHPs) will not lose that status merely because they cover the cost of testing for or treatment of COVID-19 before plan deductibles have been met. In addition, any vaccination costs will count as preventive care and can be paid for by an HDHP. This relief applies only to HSA-eligible HDHPs.

*HSAs and High-Deductible Health Plans.* Eligible individuals can deduct contributions to HSAs. A HDHP is a health plan that satisfies certain requirements, including requirements with respect to minimum deductibles and maximum out-of-pocket expenses. One requirement to qualify as an individual is to be covered under an HDHP and have no disqualifying health coverage.

*HDHP requirements satisfied for COVID-19.* A health plan that otherwise satisfies the requirements to be an HDHP will not fail to be an 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 the applicable minimum deductible. As a result, the individuals covered by such a plan will not fail to be eligible individuals merely because of the provision of those health benefits for testing and treatment of COVID-19.

*Relief.* This relief applies only to HSA-eligible HDHPs. Employees and other taxpayers in any other type of health plan with specific questions about their own plan and what it covers should contact their plan. This relief also provides flexibility to HDHPs to provide health benefits for testing and treatment of COVID-19 without application of a deductible or cost sharing.

Individuals participating in HDHPs or any other type of health plan should consult their particular health plan regarding the health benefits for testing and treatment of COVID-19 provided by the plan, including the potential application of any deductible or cost sharing.

**Contact Us**

Please contact our office for more information on the emergency relief for costs related to COVID-19 and the impact on your high-deductible health plan.

Sincerely,

This letter may be sent to individuals with a HSA account and employers with high-deductible health plans. (03/12/2020). This letter is provided as part of your complimentary subscription to the CCH Resource Library, powered by IntelliConnect provided by ADP Accountant Connect.