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Client Alert Applies To: Self-Funded, Fully-Funded, Small Group, and Large Group

March 13th, 2020

COVID-19 Testing Cost and HDHPs

Earlier this week, the IRS released information about HDHPs and payments for COVID-19 testing, advising that HDHPs can pay for COVID-19 testing for members without losing the plan's qualified HDHP status. See below for the full press release from the IRS:

"WASHINGTON – The Internal Revenue Service today advised that high-deductible health plans (HDHPs) can pay for 2019 Novel Coronavirus (COVID-19)-related testing and treatment, without jeopardizing their status. This also means that an individual with an HDHP that covers these costs may continue to contribute to a health savings account (HSA).

In Notice 2020-15 (PDF), posted today on IRS.gov, the IRS said that health plans that otherwise qualify as 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. The IRS also noted that, as in the past, any vaccination costs continue to count as preventive care and can be paid for by an HDHP.

Today's notice 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."

Source: <https://www.irs.gov/newsroom/irs-high-deductible-health-plans-can-cover-coronavirus-costs>

Notice 2020-15 PDF Link: <https://www.irs.gov/pub/irs-drop/n-20-15.pdf>

Please visit www.moreton.com/news-events/ for more information and to view other client alerts. This Client Alert was written by Carolyn Cox, Moreton & Company's in-house corporate counsel who provides our clients with compliance services. For additional questions, please contact Carolyn at 801-715-7110 or ccox@moreton.com.

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