

Another Extension of Telehealth Relief for HDHP/HSA Plans

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The [Consolidated Appropriations Act of 2023](#) (2023 CAA) further extends the HSA safe harbor allowing high deductible health plans (HDHPs) to offer first dollar coverage of telehealth services without ruining HDHP members' ability to make or receive pre-tax contributions into their health savings accounts (HSAs). In other words, HDHP plans can continue to waive the deductible for any telehealth services without causing members to lose HSA eligibility. This relief was set to expire on December 31, 2022, in which case as of January 1, 2023 health plans involving telehealth services in conjunction with a qualifying HDHP would have had to start charging members for telehealth services until their deductible was met in order for members to remain eligible to make or receive HSA contributions (unless a different HSA exception applied). The 2023 CAA generally extends this exception for another two years.

Our articles [here](#) and [here](#) summarize the creation of this HDHP/HSA telehealth exception in response to the pandemic, as well as its first extension.

Specifically, 2023 CAA's extension applies to plan years beginning after December 31, 2022 and before January 1, 2025. For calendar year plans, this means that the extension applies for the 2023 and 2024 calendar years. While many industry stakeholders were hoping for a permanent exception for telehealth, this is still welcomed news and possibly signals a willingness to eventually make it permanent.

Employer plan sponsors currently providing first dollar telehealth coverage under their HDHP may continue to do so through December 31, 2024 (for calendar year plans), and should reach out to their health insurance carrier or third party administrator to ensure it is implemented. Employers who do not currently provide first dollar telehealth coverage under their HDHP may wish to consider this as a benefit for their employees given this two year extension.

Third party administrators, health insurance companies, and other plan service providers should communicate this relief extension to their employer clients and operationalize first dollar telehealth

coverage for clients who choose to adopt it.

This is also welcomed news for telehealth companies and other point solution companies who offer remote care services to employees of employer clients, as such companies can offer an employer-paid, first dollar option without negatively impacting the member's HSA qualification. This typically has the result of increasing utilization and overall member engagement, generally viewed as a positive by employers sponsoring telehealth programs and the telehealth companies themselves.

Want to Learn More?

- [COVID-19: New Law Allows Free Telehealth without Blowing Tax Benefits of Health Savings Accounts](#)
- [HDHP/HSA First Dollar Coverage for Telehealth Extended](#)

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