

Strong Support by Employers for Pre-Deductible Coverage for Telemedicine

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020, to provide economic relief related to the COVID-19 pandemic and economic downturn affecting millions of families and businesses in the United States. It included a provision that allowed health savings account (HSA)-eligible health plans to provide access to telemedicine services prior to meeting the annual deductible. The provision was temporary and ends on Dec. 31, 2021.

[Recent research from the Employee Benefit Research Institute](#) (EBRI) asked employers their point of view on the CARES Act provision related to telemedicine services: It found that there was strong support for the CARES Act provision.

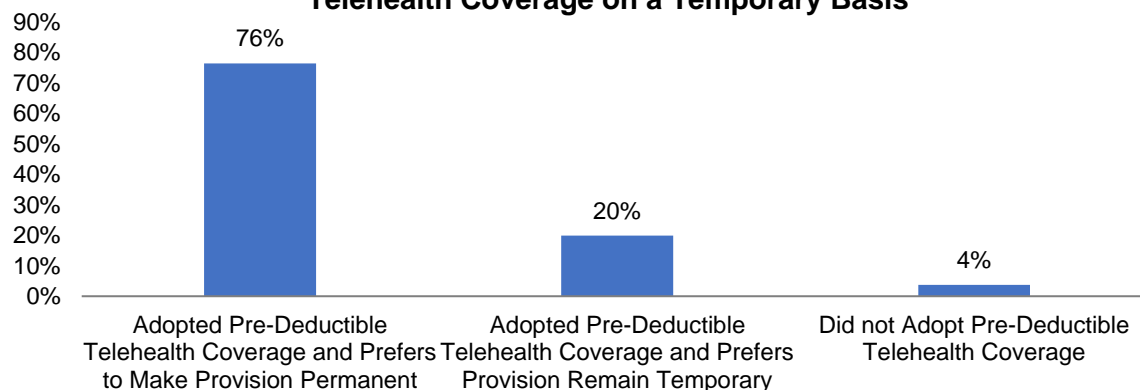
IRS Notice 2019-45

The U.S. Department of Treasury issued guidance on July 17, 2019 via IRS Notice 2019-45 to further increase the flexibility of health savings account (HSA)-eligible health plans to cover specific low-cost preventive services to prevent the exacerbation of chronic conditions on a pre-deductible basis.¹

With IRS Notice 2019-45 in place, all HSA-eligible health plans are now able to adopt a more flexible benefit design offering more protection for certain medical services through a value-based insurance design (V-BID) plan structure.

Indeed, nearly all (96 percent) employers adopted pre-deductible coverage for telehealth services under the CARES Act. Three-quarters (76 percent) said they prefer to make the provision permanent, while only 20 percent would like the provision to remain temporary.

Point of View on CARES Act Provision Allowing Pre-Deductible Telehealth Coverage on a Temporary Basis



Source: Employee Benefit Research Institute survey.

¹ See <https://www.irs.gov/pub/irs-drop/n-19-45.pdf>

Data and Study Sample

The data for this study come from an online survey of benefits decision makers. A total of 354 large employers were surveyed, including 270 that made changes to pre-deductible coverage and 62 that did not. Not all respondents answered every question. The survey averaged 10 minutes. The research was conducted in July and August of 2021.

About EBRI: The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org or connect with us on [Twitter](#) or [LinkedIn](#).

A Thank You To Our Funder: This study was conducted with the funding support of the National Pharmaceutical Council.

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