

# HSA Exception for Telehealth Ends Next Month

By: John Kirk on November 18, 2021 on [graydon.law](https://graydon.law)

As mentioned in our prior [blog post](#), effective January 1, 2022 for calendar year plans, the ability of HSA plans to cover telehealth at 100% is ending. If you have not already amended your plan to account for this expiration, you should do so now. Any amendment will need to require plans to charge a reasonable fee for telehealth and apply any fees to the deductible and out-of-pocket maximums. Failure to end first dollar coverage by January 1, 2022 will mean plan participants would be ineligible to contribute to an HSA.

As a refresher, the CARES Act amended Section 223(c) of the Internal Revenue Code to permit, but not require, high-deductible health plans (“HDHP”) to cover telehealth and other virtual services on a first dollar basis. This temporary exception meant an HDHP would not lose its qualified status if it offered cost-free telehealth services to participants before their annual deductible was satisfied. Pursuant to the guidance when this temporary amendment was issued, the exception ends for plan years that begin on or after January 1, 2022.

To try and stop the expiration of this temporary exception, there have been several bills introduced in Congress to allow plans to cover telehealth at 100%. Unfortunately, to date they have not progressed very far. Unless these bills become law, employers should begin charging for telehealth services (again) next year.

If you have any questions about amended your plan or other benefits questions, please contact any of Graydon’s employee benefits team.