



For your information®

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HDHPs can cover ACA-mandated preventive care and be HSA compatible

The IRS recently released Notice 2013-57, which clarifies that a health plan will not fail to qualify as a high deductible health plan that is compatible with a health savings account simply because it covers the preventive health services required under the Affordable Care Act without imposing a deductible.

Background

To be eligible to set up a health savings account (HSA), an individual must be covered under a high deductible health plan (HDHP) and have no other health coverage other than certain “permitted” coverage (e.g., dental and vision coverage). To qualify as an HDHP, a health plan must meet certain specific requirements, including that it pay no benefits for any year, other than benefits for preventive care services, until the deductible for that year is satisfied. IRS previously provided guidance on the types of services it considers to be preventive care for HDHP purposes, including a list of preventive care screenings.

The Affordable Care Act (ACA) requires all non-grandfathered health plans to cover the following preventive care services without imposing cost-sharing requirements such as deductibles:

- Evidenced-based items or services with a rating of "A" or "B" in the most recent recommendations of the United States Preventive Services Task Force
- Immunizations routinely recommended for children, adolescents, and adults by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention (CDC)
- Evidence-informed preventive care and screenings for infants, children, and adolescents as set out in the comprehensive guidelines supported by Health Resources Service Administration (HRSA)
- Evidence-informed preventive care and screenings for women as set out in comprehensive guidelines supported by HRSA, to the extent not already included above

See our [March 15, 2013 For Your Information](#) for more detailed information about these requirements.

It was unclear whether a non-grandfathered HDHP that satisfied the ACA preventive care mandate could run afoul of the HDHP requirements if the item or service covered prior to satisfaction of the plan’s deductible was not considered preventive care for HSA purposes.

Notice 2013-57

[Notice 2013-57](#) provides that “preventive care” for HDHP/HSA purposes includes services required to be provided as preventive care services under the ACA and that therefore, a health plan will not fail to qualify as an HDHP simply because it provides coverage of those services prior to satisfaction of the plan’s deductible. The notice also confirms that services that had been considered preventive for HDHP/HSA purposes under prior guidance continue to be treated as preventive.

Buck Comment. Because the notice at one point describes the preventive services as those “required” by the ACA, it is not clear whether the same treatment would apply to a grandfathered HDHP that voluntarily provided first dollar coverage of ACA preventive services. Clarification would be helpful.

In closing

Although not unexpected, the guidance does provide “peace of mind” to sponsors of non-grandfathered HDHPs who may have been concerned whether providing first dollar coverage of preventive services as mandated by the ACA would cause their HDHP to no longer be HSA compatible.

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