



## EXPANDED PREVENTIVE CARE UNDER HIGH DEDUCTIBLE HEALTH PLANS WITH HSAs

The IRS in consultation with the Departments of Treasury and Health & Human Services issued [Notice 2019-45](#) classifying certain types of treatment for chronic conditions as preventive services under Section 223(c)(2). This announcement responds to the President’s Executive Order 13877 calling for the Departments to issue guidance to expand the ability of Qualified High Deductible Health Plans (“HDHP”) with health savings accounts (“HSAs”) to cover certain low-cost preventive care for chronic conditions before the member satisfies the plan’s deductible (or with a deductible below the HDHP statutory minimum deductible). Expanding low or no cost coverage for certain chronic condition items and services under an HDHP will encourage individuals to better manage and maintain their healthcare regimen to control their chronic condition.

While the Notice is effective **July 17, 2019**, plan sponsors of:

- Insured HDHPs should work with their carrier to determine whether all or some of these items and services will be considered preventive care mid-plan year or at the next renewal and what, if any cost-sharing amount will be imposed.
- Self-funded HDHPs who would like to modify the plan mid-year should (i) confirm with their third-party administrator and stop-loss carrier if this will be feasible, and (ii) decide which new preventive care benefits to offer and determine if any low-cost sharing amount will be required. Employers may also consider potential plan changes to become effective at the next renewal.

With more preventive services now available under an HDHP, employers once hesitant to offer an HDHP may find an HDHP more attractive as a benefit offering. Finally, employee communication materials will need to be prepared describing any new item or service classified as preventive care, the amount of cost-sharing for the item or service (if any) as well as the effective date of the plan change.

Only the following services and items listed below will be considered preventive care under an HDHP. *This designation as preventive care under an HDHP does NOT impact, expand or alter the definition of preventive care that must be covered with no member cost sharing under the Affordable Care Act.*

Preventive Care for Specified Conditions	For Individuals Diagnosed with...
Angiotensin Converting Enzyme (ACE) inhibitors	Congestive heart failure, diabetes, and/or coronary artery disease
Anti-resorptive therapy	Osteoporosis and/or osteopenia
Beta-blockers	Congestive heart failure and/or coronary artery disease
Blood pressure monitor	Hypertension
Inhaled corticosteroids	Asthma
Insulin and other glucose lowering agents	Diabetes
Retinopathy screening	Diabetes
Peak flow meter	Asthma
Glucometer	Diabetes
Hemoglobin A1c testing	Diabetes
International Normalized Ratio (INR) testing	Liver disease and/or bleeding disorders
Low-density Lipoprotein (LDL) testing	Heart Disease
Selective Serotonin Reuptake Inhibitors (SSRI)	Depression
Statins	Heart disease and/or diabetes

These specified items and services are treated as preventive care only when prescribed to treat an individual diagnosed with the associated chronic condition that is listed, and only when prescribed for the purpose of preventing the exacerbation of the chronic condition or the development of a secondary condition.

The Departments will periodically review the preventive services to determine whether additional items or services should be added or removed. The periodic review is expected to occur approximately every five to ten years.

### ADDITIONAL INFORMATION

For specific questions concerning information contained in this Client Alert, please contact your USI-Chernoff Diamond consultant. Information contained in this Client Alert is not intended to render tax or legal advice. Employers should consult with qualified legal and/or tax counsel for guidance with respect to matters of law, tax and related regulation. Chernoff Diamond is a Division of USI Insurance Services that provides comprehensive consulting and administrative services with respect to all forms of employee benefits, risk management, qualified and non-qualified retirement plans, M&A due diligence, private client services, and compensation and human resources. For additional information about our services, please contact us at 516.683.6100 or [mail@chernoffdiamond.com](mailto:mail@chernoffdiamond.com).