



Broker Alert

During the COVID-19 public health emergency, special provisions (IRS Notice 2020-15) allowed Health Savings Account (HSA) compatible High Deductible Health Plans (HDHPs) to cover COVID-19 testing and treatment without being subject to a deductible, which is otherwise required for a HDHP status.

As a result, we configured our benefit and coverage systems to cover COVID-19 testing and therapeutics (required under state law SB 510) without member cost-sharing or costs being subject to a deductible for fully-insured groups.

At the end of the COVID-19 PHE, Blue Shield provided self-funded ASO groups with Health Savings Account (HSA) compatible High Deductible Health Plans (HDHPs) the option to continue covering COVID-19 testing and therapeutics without member cost-sharing or costs being subject to a deductible (in alignment with fully-insured group plans) which is otherwise required for HDHPs to maintain HSA compatible status.

This was done to support access to COVID-19 care for members with HDHP coverage, without having their HDHP losing its HSA compatible status.

The Treasury Department and the IRS have determined that following the end of the PHE on May 11, 2023, the relief provided under IRS Notice 2020-15 is no longer needed and is only available to HSA compatible HDHPs ending on or before December 31, 2024.

Coverage for COVID-19 testing (including at-home test kits) and therapeutics will be subject to the member's deductible in accordance with the updated IRS requirements for HSA compatible HDHPs effective January 1, 2025.

Please note that COVID-19 vaccines, however, are treated differently than COVID-19 testing and treatment, and will continue to be covered as preventive services that are not subject to deductible or cost-sharing.

Updates to member plan benefit documents will be made in 2025 upon group renewal. We will be sending an email communication to impacted groups tomorrow, followed by a letter in the mail in the next month. We are requesting that employer groups inform their employees of these changes impacting COVID-19 testing and treatment coverage.

Blue Shield is committed to supporting our groups in complying with health coverage related regulatory requirements.* If you have any additional questions, please contact your Blue Shield representative.

**Blue Shield does not provide legal advice. Please consult your legal advisor to confirm your group's compliance with IRS Notice 2023-37.*

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