



September 17, 2013

## IRS Guidance Clarifies Payment for Preventive Services Under HDHP/HSA Arrangements

On September 9, 2013, IRS [Notice 2013-57](#) clarified that a high-deductible health plan (HDHP) used with a health savings account (HSA) can cover first dollar preventative services as required for non-grandfathered health plans under federal health reform. This guidance confirms that plan sponsors can comply with health reform's preventive service requirements while maintaining HSA/HDHP arrangements.

Generally, individuals enrolled in an HDHP with an HSA must satisfy the HDHP's annual deductible before the HDHP begins to pay benefits in a given year. There is an exception to this rule for "preventive care," which allows the HDHP to cover preventive care without the participant satisfying the annual deductible. Since the first plan year after September 23, 2010, federal health reform requires non-grandfathered health plans to cover in-network preventive services without any cost sharing requirements. Please see our updates [Preventive Services Covered Under Health Reform](#) and [Adoption of Women's Preventive Services Guidelines](#) for more information on preventive services coverage required under health reform.

Prior to this most recent guidance, there was some question as to whether an HSA/HDHP arrangement could cover all of health reform's "recommended preventive services" without the participant satisfying the annual deductible. The guidance now clarifies that HDHPs in use with HSAs can comply with the preventive services requirements imposed by healthcare reform without violating requirements under HSAs and HDHPs.

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