

IMPORTANT COVID-19 UPDATE

KEY HEALTH AND GROUP PLAN ISSUES IN THE CARES ACT

President Trump has signed a record \$2 trillion stimulus package aimed at helping the nation get back on course as a result of the impact of the coronavirus (COVID-19). The [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#) provides billions of dollars for industries imperiled by the pandemic and makes billions of dollars available for certain small businesses who have seen their income all but cease due to prohibitions on large gatherings. This Update summarizes key CARES Act provisions applying to employer health and group plans.

Health plans are required to pay for preventive services and vaccines

The CARES Act requires that private group and individual health insurance plans will be required to cover all qualifying preventive items, services or vaccines for COVID-19 once developed, without cost sharing, within 15 days after the service or vaccine has received a qualifying recommendation from either the United States Preventive Services Task Force or the Advisory Committee on Immunization Practices.

Health plans are required to cover diagnostic testing for COVID-19

The CARES Act builds on the Families First Coronavirus Response Act (FFCRA) by requiring private insurance plans to cover all testing for COVID-19, without cost sharing, even for those tests that have not yet received an emergency use authorization from the FDA. Consistent

with the FFCRA, diagnostic testing extends to any services or items provided during a medical visit—including in-person or telehealth visits to a doctor’s office, urgent care, or emergency room—that result in testing or screening for COVID-19.

What plans will pay for COVID-19 diagnostic testing

A group health plan or a health insurance issuer will pay the provider either the negotiated rate or, if no negotiated rate is in effect because the provider is out-of-network, the lesser of the cash price for the service as posted by the provider on a public website or a different negotiated rate. Any provider that attempts to charge more than these set costs is subject to civil monetary penalties of up to \$300 per day.

Telehealth now compatible with a HDHP/HSA

Given the importance of telehealth in the COVID-19 crisis, telehealth and other remote care can now be covered without any deductible. The CARES Act confirms that a high deductible health plan (HDHP) is not required to have a deductible for telehealth and other remote care services, and telehealth or other remote care is disregarded. This comes as a relief as it enables employers to temporarily remove safeguards put into place to ensure Health Savings Act (HSA) compatibility for telehealth, such as charging fair market value until participants meet the statutory minimum deductible. This relief, which requires a plan amendment, only applies for plan years beginning on or before December 31, 2021. Therefore, unless this relief is extended, for plan years beginning on or after January 1, 2022, employers will need to revert to their current safeguards.

Changes made to the rules on OTC products that can be reimbursed under an HSA, HFSA or HRA

The Cares Act removes the requirement that medicines and drugs (except insulin) must be prescribed in order to be paid for with an health savings accounts (HSAs), health flexible spending accounts (HFSA), or health reimbursement arrangements (HRA). In addition, menstrual care products are now treated as a qualified medical expense and can also be paid with HSA, HFSA, or HRA dollars. This provision applies to purchases made after December 31, 2019 and requires a plan amendment.

Employers offering HDHPs, HSAs, HFSA or HRAs who choose to amend their plans should contact their Conner Strong & Buckelew account representative toll-free at 1-877-861-3220. They will work with your carrier/administrator to implement the changes. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).

Please visit our [COVID-19 Resource Center](#) for more information.

