

Regulatory Alert and Legislative Updates

IRS update on Novel Coronavirus (COVID-19)

At Optum Bank, we communicate important regulatory and legislative changes as soon as possible, to ensure you're armed with critical information that impacts your employees. We are actively engaged in supporting the response to COVID-19, including efforts to safeguard the health and safety of our clients and their employees.

The IRS announced ([Notice 2020-15](#)) that for participants in high-deductible health plans (HDHP), all medical care services received and items purchased associated with testing for and treatment of COVID-19 will not impact the status of the plan as an HDHP.

What does this mean for your employees?

Individuals covered by an HDHP will remain eligible to make tax-advantaged contributions to their HSA.

All major health plans have waived member cost sharing, including copays, coinsurance and deductibles for COVID-19 diagnostic testing provided at approved locations in accordance with CDC guidelines for all commercial insured, Medicaid and Medicare members. In addition, many self-insured customers are also choosing to implement similar actions.

This means that **HSA funds are not required for COVID-19 diagnostic testing provided at approved locations in accordance with CDC guidelines**. In the event that a plan is not waiving these costs, individuals will be able to use HSA funds for those costs without jeopardizing the qualified status of their high deductible health plan.

We will continue to monitor developments related to your employees' health accounts, and provide additional guidance as available.

Health savings accounts (HSAs) are individual accounts offered or administered by Optum Bank[®], Member FDIC, and are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account. This communication is not intended as legal or tax advice. Federal and state laws and regulations are subject to change.

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