

Modernizing HSA Rules

A number of employer legislative priorities for modernizing HSA and high-deductible health plan (HDHP) rules face an uncertain future in 2020 because of cost, health care politics, and a short election-year calendar. These priorities include more flexibility to accommodate innovative plan designs and more pre-deductible coverage of chronic conditions. The Trump administration is addressing some of the desired changes through new guidance and regulations.

An extensive package of HSA reforms that passed the Republican-led House in the prior Congress included bipartisan provisions to promote value-based care including pre-deductible coverage for telemedicine services or employer onsite medical clinics without risking HSA-eligibility, and three related bills passed the Democrat-controlled House Ways and Means Committee last October with strong support from both parties ([HR 3708](#), [HR 4716](#), [HR 1922](#)). The bills would allow participants in HSA-qualifying HDHPs to use direct primary care service arrangements (DPCSA) and remain HSA-eligible, and HSAs could be used to reimburse DPCSA fees. In addition, HSA-qualifying HDHPs could provide pre-deductible coverage of inhalers to treat *any* chronic lung disease. Finally, HSAs — as well as health flexible spending arrangements (health FSAs) and health reimbursement arrangements (HRAs) — could pay for or reimburse costs for over-the-counter menstrual care products, even without a prescription.

More recent Senate legislation -- the "[Chronic Disease Management Act of 2020](#)" ([S 3200](#)) -- would allow HSA-qualifying HDHPs to cover care related to chronic disease management on a pre-deductible basis. The bill builds off similar 2019 [legislation](#) and it follows the administration's updated guidance issued in July 2019.