

# SPECIAL COMPLIANCE ALERT



## IRS EXPANDS LIST OF PREVENTIVE SERVICES THAT CAN BE PROVIDED BEFORE MEETING HDHP DEDUCTIBLE

July 18, 2019

The IRS and Treasury Department have issued Notice 2019-45 (Notice) under which they have expanded the list of preventive care benefits permitted to be provided by a high deductible health plan (HDHP) without a deductible, or with a deductible below the applicable minimum deductible -- self-only or family -- for an HDHP. The Notice is effective as of July 17, 2019.

The Notice responds to the Trump administration's recent Executive Order 13877, "Improving Price and Quality Transparency in American Healthcare to Put Patients First," which directed the Secretary of the Treasury to issue guidance to expand the ability of patients to select HDHPs that can be used alongside an HSA, and that cover low-cost preventive care, before the deductible, that helps maintain health status for individuals with chronic conditions.

The Notice states that the Treasury Department and the IRS, in consultation with the U.S. Department of Health and Human Services (HHS), have determined that certain medical care services and items, including prescription drugs, for certain chronic conditions should be classified as preventive care for someone with that chronic condition. The Notice directs that the specified services and items will be considered preventive care only when prescribed to treat an individual diagnosed with the associated chronic condition specified in the Notice (set out in the table below), and only when prescribed for the purpose of preventing the exacerbation of the chronic condition or the development of a secondary condition. If an individual is diagnosed with more than one chronic condition, all listed services and items applicable to the two or more conditions are preventive care.

The Treasury Department and the IRS stated that they, in consultation with HHS, will periodically review the list of preventive care services and items listed below, as well as similar services and items, to determine whether or not to add or remove additional services or items. The departments expect to review the list approximately every five to 10 years.

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Preventive Care for Specified Conditions	For Individuals Diagnosed with
Angiotensin Converting Enzyme (ACE) inhibitors	Congestive heart failure, diabetes, and/or coronary artery disease
Anti-resorptive therapy	Osteoporosis and/or osteopenia
Beta-blockers	Congestive heart failure and/or coronary artery disease
Blood pressure monitor	Hypertension
Inhaled corticosteroids	Asthma
Insulin and other glucose lowering agents	Diabetes
Retinopathy screening	Diabetes
Peak flow meter	Asthma
Glucometer	Diabetes
Hemoglobin A1c testing	Diabetes
International Normalized Ratio (INR) testing	Liver disease and/or bleeding disorders
Low-density Lipoprotein (LDL) testing	Heart disease
Selective Serotonin Reuptake Inhibitors (SSRIs)	Depression
Statins	Heart disease and/or diabetes

Items and services already designated as preventive care under prior guidance will continue to be treated as such.

## KEY TAKEAWAYS

None of the changes described in the Notice require any immediate action on the part of employers.

The items and services outlined in the Notice merely expand the “preventive services” category so that participants who receive coverage as outlined in the table above under an HDHP before meeting the applicable deductible will not be disqualified from maintaining a Health Savings Account (HSA).

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