



Expanding Access to Quality Care Through Telehealth, HDHPs, & HSAs

Virtual care can help address existing health disparities by eliminating the barriers of time, distance, and geography, while empowering patients to overcome the challenges of accessing in-person care. High-deductible health plans (HDHPs) were created in an effort to control the costs of potentially unnecessary care and are paired with a health savings account (HSA) that is used to pay for qualified medical expenses. However, HSAs are not always well funded, and cost-sharing can result in patients foregoing care as many Americans are unable to distinguish between necessary and unnecessary care when sick.¹ Recognizing this issue, Congress included a provision in the bipartisan CARES Act (Senate vote: 96–0) to allow coverage of telehealth on a pre-deductible basis for HSA-qualified HDHPs. However, access to virtual preventative care and early interventions should not solely be considered a COVID-19 policy. With significant numbers of American workers now relying on coverage linked with account-based plans like HSAs, policymakers can meaningfully expand access to care by permanently allowing first-dollar coverage of virtual care under HDHPs.

The Telehealth Safe Harbor for HDHPs & HSAs

Section 3701 of the CARES Act created a temporary safe harbor that allows HDHPs with a health savings account (HSA) to cover telehealth and remote care services prior to a patient reaching their deductible or with a deductible below the minimum annual deductible otherwise required by law. Eligible individuals include enrollees in HSA-qualified HDHPs, whether they are enrolled in employer-sponsored coverage or purchased the plan themselves in the individual health insurance market. The safe harbor currently allows HDHPs to offer cost-free telehealth services to plan members before the annual deductible is met, ensuring that plans can support patients that are leveraging virtual care to access a range of critical health care services during the pandemic. The CARES provision extended the safe harbor for plan years beginning on or before December 31, 2021. Individuals and families enrolled in plans with plan years beginning on January 1, 2022 won't be able to use the safe harbor under current law.

More Americans Than Ever Rely on HDHPs & HSAs

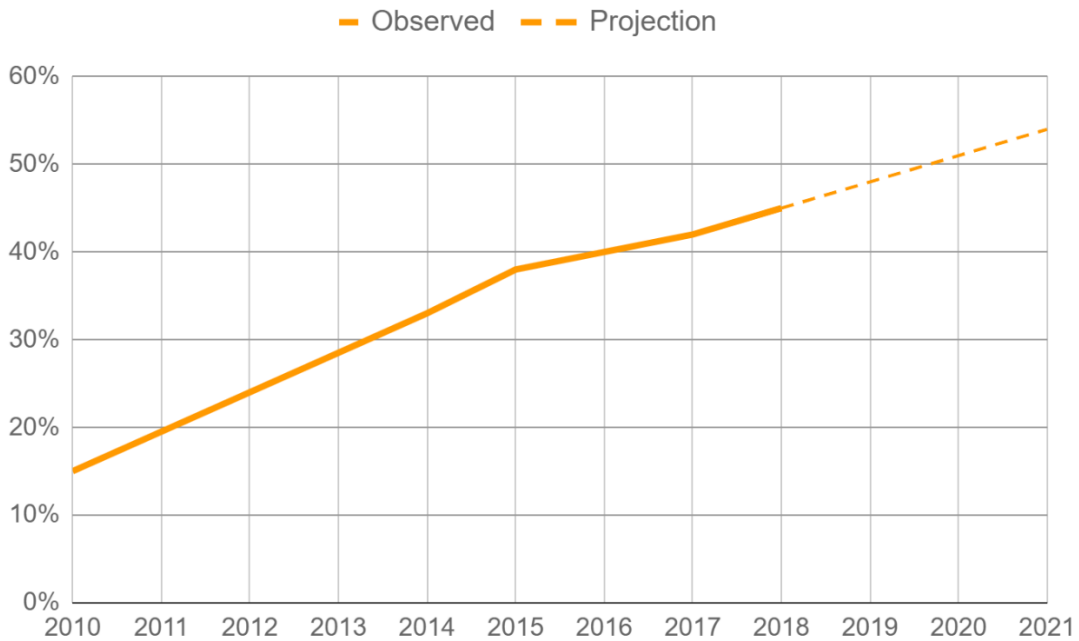
According to the Bureau of Labor Statistics (BLS), only 15 percent of workers employed in the private sector participated in an HDHP in 2010. By 2018, that number had risen to 45 percent. Today, the number is estimated to be 54 percent. Importantly, participation in HDHPs is even across wage groups and in industries with a significant proportion of Black and Hispanic workers.

Congress Should Permanently Extend the HDHP/HSA Telehealth Safe Harbor

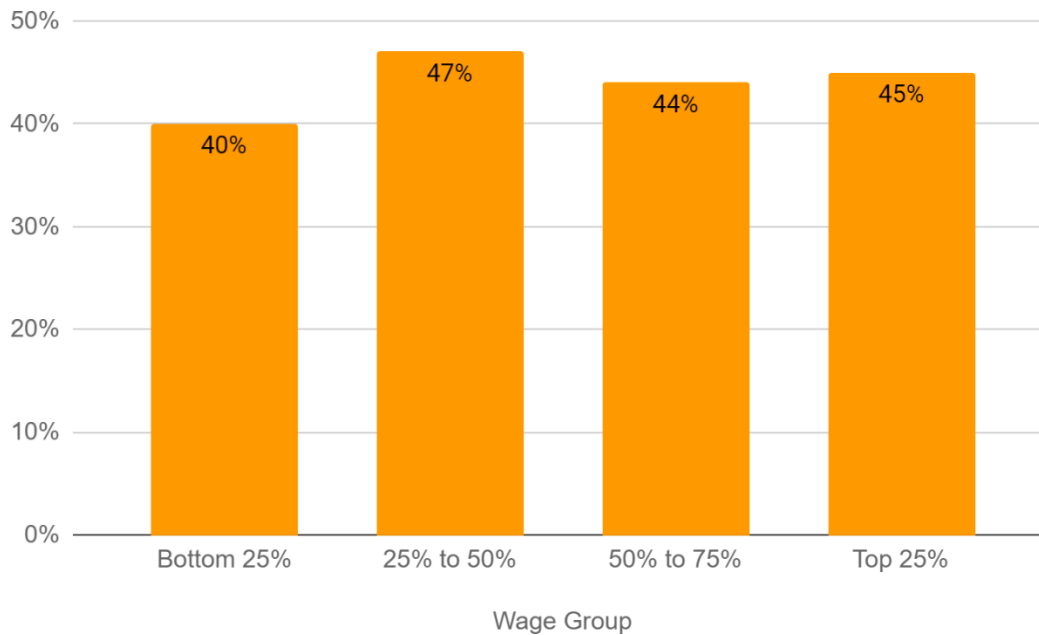
One of the lessons learned from the COVID-19 pandemic is the value in leveraging telehealth to scale and meet rising demand for key health care services. Health workforce shortages were at critical levels before COVID-19. As the US healthcare system emerges from the pandemic, permanently extending the HDHP/HSA Telehealth Safe Harbor would allow half of American workers and families to continue accessing a range of clinically appropriate virtual services – for a range of common conditions – without the burden of first meeting a deductible. Congress must act to support American workers and ensure this key policy continues beyond 2021.

¹ Zarek C. Brot-Goldberg, Amitabh Chandra, Benjamin R. Handel, Jonathan T. Kolstad, What does a Deductible Do? The Impact of Cost-Sharing on Health Care Prices, Quantities, and Spending Dynamics, *The Quarterly Journal of Economics*, Volume 132, Issue 3, August 2017, Pages 1261–1318, <https://doi.org/10.1093/qje/qjx013>

Percent of All Private Industry Workers That Participate in High Deductible Health Plans (BLS)



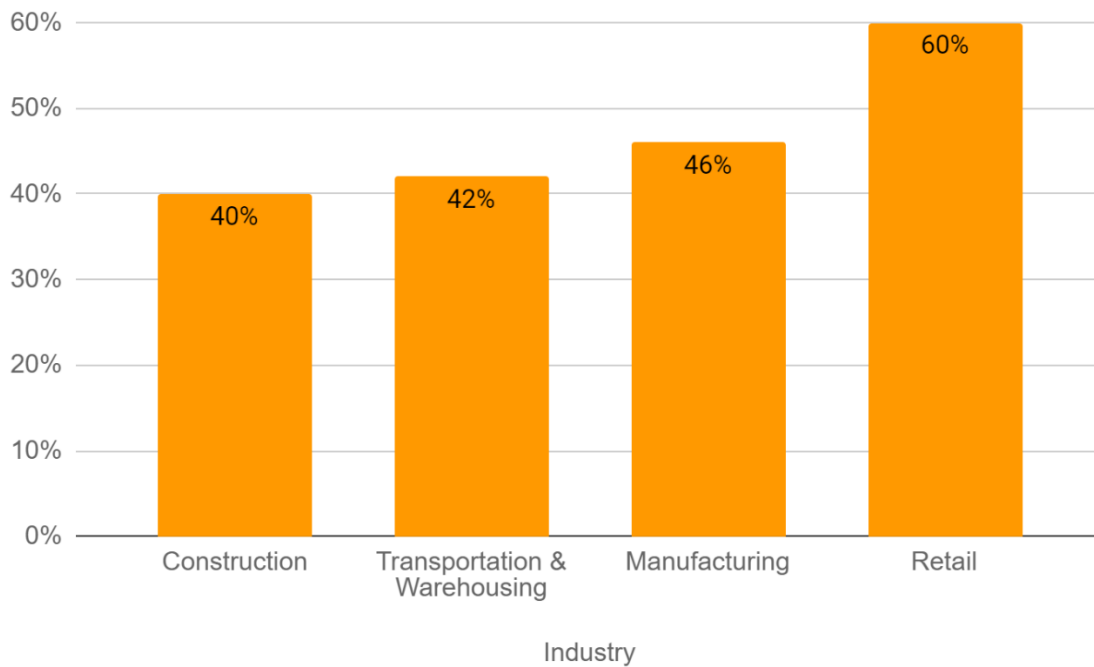
Percent of Private Industry Workers Enrolled in HDHP by Wage Group (2014-2018)



Workers at all wage levels participate in HDHPs at similar rates. According to the BLS, at last count, 40 percent of the bottom fourth of wage earners participated in HDHPs. For every other wage group, the same number is between 44 and 47 percent.²

² Analysis based on the Bureau of Labor Statistics, National Compensation Survey. <https://download.bls.gov/pub/time.series/nb/>

Percent of Private Industry Workers Enrolled in HDHP by Industry (2014-2018)



Nearly half of individuals employed in industries such as retail, manufacturing, transportation, and construction receive their health benefits through a HDHP.

Your Resource – the ATA

As you consider policies regarding telehealth technology, please consider the American Telemedicine Association (ATA) as a resource. As the only organization completely focused on advancing telehealth, the ATA is committed to ensuring that everyone has access to safe, affordable, and appropriate care when and where they need it, enabling the system to do more good for more people. For more information, please visit www.americantelemed.org.